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# Latin America Report

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INTER-AMERICAN AFFAIRS

GUYANA POLICE SEEK TRINIDAD SUSPECTS IN RELIGIOUS KILLING

Port-of-Spain SUNDAY GUARDIAN in English 27 Apr 86 p 24

[Text] Three members of a religious commune in Trinidad are wanted by the Guyana Police in connection with the slaying of Pakistan-born Muslim missionary, Otaood Anwar, in Georgetown on the night of April 9.

According to reports, the three suspects are believed to have visited Guyana recently and travelled aboard BWIA to and from Trinidad.

Execution Link

The Guyana Police have contacted the Homicide Squad in Port-of-Spain in the effort to solve the case and the three suspects were believed to have gone into hiding following their return from Guyana.

Local authorities have linked the slaying of Anwar to the execution of Mohammed Aslam Qureshi, 45, another Pakistani-born missionary, at Freeport on August 11 last year.

Anwar, a British-based missionary, had gone to Georgetown for the March 30 opening of a \$6 million masjid in the Guyanese capital. He decided to remain in Georgetown for some time before returning to London. As he walked the streets of the city on April 9 he was shot dead. His killers were said to be armed with a gun attached with a silencer.

Freelance journalist Esau Abdullah Mohammed, 26, has been charged in Guyana for the murder and has appeared in court. He was remanded in custody to May 9.

But the Guyanese investigators believe the three Trinidadians were the main people behind the killing and have been in touch with Trinidad Police.

The local lawmen revealed yesterday, however, they have made no headway in the matter as the suspects have apparently gone into hiding, following information that they were being sought.

Anwar's body was taken back to Pakistan on April 16 for burial as had been Querishi's. No one has been arrested for Qureshi's murder.

The only eyewitness to the killing was Qureshi's son, Mohammed Nassem, who returned to Pakistan with his father's body, vowing never to return and thereby hampering the Police investigations.

#### Gun With Silence

He, too, told the police his father was shot with a gun attached with a silencer. Naseem, 16, was restrained inside a car by a gunman while his father was shot outside their vehicle as they left a friend in Freeport.

Qureshi had been a member of the Ahmadiyya sect in Trinidad for two years until his death.

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CSO: 3298/430

BAHAMAS

FNM: VOTER REGISTRATION IRREGULARITIES IN GRAND BAHAMA

Nassau THE TRIBUNE in English 22 Apr 86 p 1

[Article by Athena Damianos]

[Text] Grand Bahama politicians may apply for a court order to compel the Commissioner to register voters as required by the law, two FNM MPs have confirmed.

Pine Ridge MP Cecil Wallace-Whitfield and CA Smith, Marco City, said the Commissioner is refusing to register voters during usual Government office hours, contrary to the provisions of the Representation of the People Act. Last Friday, Commissioner Granville O'Brien refused to register a group of FNM supporters, they said.

"They are making it as difficult as possible for voters to register in Grand Bahama simply because the Government recognizes that they don't have the support in Grand Bahama. Grand Bahama is FNM country. This is an attempt to frustrate the FNMs and make it difficult for them to register," Mr Smith said.

And Mr Whitfield said: "It is against the law. It is a denial of a right which the people of Grand Bahama have and one can't sit by and allow the rights of the people to be trampled upon when the statutory provisions are clear and put an obligation upon the revision officer (Commissioner O'Brien)."

It was today reliably reported that satellite registration stations were unofficially scheduled to open in New Providence yesterday, but did not because the necessary funds have not been released.

An informed source said that National Security Minister Loftus Roker approved the sites and staff for sub-stations last Wednesday, and that while the Parliamentary Registration Department has received a budget for its day-to-day operation, it is awaiting extra funding in order to open satellite stations.

In addition, there are also unconfirmed reports of double registration in some of the Family Islands.



On the Grand Bahama problem, Mr Smith said that he and Pine Ridge MP Cecil Wallace-Whitfield are collecting affidavits which they plan to use as the basis of their request for a court order.

Three of the four seats in Grand Bahama-Pine Ridge, High Rock and Marco City--are held by FNM MPs. The West End seat went to the PLP.

Mr Smith said the Commissioner initially registered voters five days a week from 5-7 pm.

Under the law, an out island revising officer is commanded to process applications "at his usual office during usual Government hours."

"To add insult to injury, he reduced this from five to three days a number of weeks ago," Mr Smith said.

Almost 12,000 Grand Bahamians, or about 14 percent of the total voting population, were eligible to vote in the 1982 general elections.

Mr Smith said it is inconceivable that 12,000 voters could be registered under the present arrangement. He said it would particularly be difficult in the case of night workers.

The Minister of Finance, Prime Minister Lynden Pindling, allocated a record \$700,000 for voters registration in 1986. Although this is over the 1982 allocation, less registration appears to be taking place. The traditional satellite stations have not opened.

The election register expired at the end of January and a new one did not open until February 13, and then only after the Opposition raised the matter in the House. Under the law, a new register should have been ready on the expiration of the old one.

"They allowed the register to die without making provision for a new one and now they are refusing to register Grand Bahamians during the normal working hours. This is against the provisions of the Act. They are trying to frustrate the Bahamian people in general," Mr Smith said.

Mr Smith said the House of Assembly authorized \$700,000 for voters registration during the 1986 Budget Debate so there could be no excuse about a lack of funds.

"It would appear that the Parliamentary Registrar does not have the facilities, tools or staff to do what they are supposed to do," FNM spokesman Arthur Foulkes said.

He said it appears that either the Ministry of National Security or Ministry of Finance has not released the funds.



Mr Foulkes said that nearly everybody in Mayaguana and Inagua, an FNM stronghold, has registered but there have been a lot of complaints over registration from South Eleuthera, particularly Governor's Harbour which is represented by Minister of Transport Philip Bethel. It is understood that registration has almost been concluded in North Eleuthera.

"We understand people living in Nassau have gone to certain Family Islands to register, especially the Governor's Harbour constituency," he said.

Mr Foulkes warned that persons who register more than once could get in trouble and he said voters should "not be misled by PLP organizers."

He urged anyone who has registered in more than one constituency to go to the registrar to correct the problem "before something else happens."

The Parliamentary Registration Department was kept busy with a steady, but not heavy flow of voters today. Two workers were processing applicants. While record of registration is available to the public upon appointment, the Department refused to say how many people have registered to date.

"Getting information out of Parliamentary Registration is like trying to get something out of Fort Knox," commented one frustrated voter today.

National Security permanent secretary HC Walkine has been unavailable to The Tribune for comment on the matter.

With 16 months left in which to call an election, Prime Minister Lynden Pindling is busy laying the groundwork for what is expected to be his toughest campaign battle ever.

About 84,000 Bahamians were registered to vote in the last general elections when the PLP captured 32 of the 43 seats. The remainder went to the FNM. The PLP, in a landslide victory, won 42,995 (56.8 percent) of the votes while the FNM got 31,092 (41.12 percent).

One third of the seats in the 43 member House are marginal, with eight being on the PLP side and seven on the FNM side.

Fifteen seats are held by a margin of under 150 votes. The PLP won three seats by 10 votes or under. They were for Fox Hill and Holy Cross in New Providence and St John's in North Eleuthera.

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CSO: 3298/431

BAHAMAS

HOUSE REJECTS 'SELECT-COMMITTEE' PROBE OF EDUCATION ROW

Debate on FNM Proposal

Nassau THE TRIBUNE in English 18 Apr 86 p 4

[Article by Anthony Forbes]

[Text]

THE House of Assembly Wednesday night rejected a Free National Movement-sponsored motion for the appointment of a select committee to examine the three-month-old salary-deduction dispute between the Bahamas Union of Teachers and the Ministry of Education.

Some 13 Government members voted against the measure moved by FNM Shadow Minister of Education C A Smith, three weeks ago, while eight opposition members voted in favour of the motion.

The vote followed three days of debate, which started on April 2 and continued for three successive meetings of the House, and after House Leader and Deputy Prime Minister Clement Maynard served notice that Government would not support the request.

After the vote and the suspension of the House to next week Tuesday for three consecutive days of debate on a no confidence motion against the Prime Minister, BUT members who sat through the debate, were overheard saying that the next move will now be to resume demonstrations with placards.

Also, Speaker Sir Clifford Darling asked a police officer to escort Mr Theo Farquharson from the House when he started to speak loudly from the public gallery.

Before leaving, Mr Farquharson turned to the Speaker, bowed and said: "I thank you for your tolerance. I will see you later."

Mr Maynard, who earlier assured the House that when the dispute is referred to him as Minister responsible for the Public Service, he will deal with it, told members that he would not comment on the issue as the dispute has not been settled and he would like to maintain his independence.

He also said that the House could not call upon the Minister of Education to do anything in particular although it can pass resolutions.

Mr Maynard said he saw no purpose being served in appointing a select committee. He said Government would not support the measure.

Mr Maynard, who is also Minister of Foreign Affairs and Tourism, said that more has been done for education since the PLP came to power in 1967

than at any other period in the history of the Bahamas.

He said when Government came to power on January 10, 1967, there was already a budget prepared, but it was revised and tourism, which was the number one priority, got the hatchet and was dropped to number four, while education, which was in fourth spot, became the number one priority.

He then traced the history of education under the PLP administration, noting that former Deputy Prime Minister Arthur Hanna was the first Minister of Education, under whom most plans for the development of education was laid.

He said that a year and three months later, FNM Deputy Leader Cecil Wallace-Whitfield followed Mr Hanna into the Ministry of Education and who was succeeded by the late Rev Carlton Francis, a former president of the BUT.

Mr Maynard said Mr Francis was followed by Mr Livingstone Coakley, now Minister of Labour, Youth, Sports and Community Affairs, and Mr Darrell Rolle, now Minister of Works, Housing and National Insurance.

He said that the present Minister, Paul Adderley, is not less dedicated than anyone who went there before him.

"We always handpicked the best man for the job," said Mr Maynard.

He noted that Mr Whitfield was not "keen" on going to head the Ministry of Education, but he nevertheless made a "lasting impression" on education.

In wrapping up the debate, Mr Smith, MP for Marco City, said that a case had been made for the House to grant a select committee to look into the dispute which mushroomed when the Ministry of Education decided to deduct the salaries of over 200 teachers at five schools for staging sit-ins last year over working conditions.

He said the teachers have been left without recourse and

that the House has a responsibility to deal with the matter.

Noting that Government has had 19 years in which to deal with conditions in the schools, Mr Smith said that the present neglect in the schools does not support the arguments put forward by Government members.

Also speaking on the motion was Mr Livingstone Coakley, Minister of Labour and Youth, Sports and Community Affairs, who served for many years as Minister of Education.

He said that as Minister of Labour, the BUT wrote to the ministry about its dispute with the Ministry of Education.

Mr Coakley said that as far as any public service union is concerned, the Ministry of Labour cannot become involved as there are many areas open to such a union to address their

problem.

He said that the ministry does not move on anything without getting the proper legal advice.

He said that areas that the BUT as a public service union can address its problem to include the Public Service Rules and Regulations, Pension Act, General Orders and the Public Service Commission Board of Appeal and the Public Service Commission.

"We will not interfere where these avenues are open to union participation," the Minister said.

"These are the avenues to which we have been referred and to which we should not become involved," he said.

He also noted that no matters which have been brought to the attention of his ministry has been allowed to go without "being addressed."

### Teachers Union 'Militancy'

Nassau THE TRIBUNE in English 23 Apr 86 p 6

[Article by Anthony Forbes]

[Excerpts]

A MILITANT minority of teachers are politically motivated and are "hell-bent" on bringing dishonour to the teaching profession, Fox Hill MP, Frank Edgecombe, a former educator, charged in the House of Assembly April 16.

Debating an opposition request for a select committee to examine the dispute between the Bahamas Union of Teachers and the Ministry of Education, Mr Edgecombe said that it has been proven that Minister Paul Adderley acted in good faith and was concerned for the

welfare of Bahamian children.

Mr Edgecombe told the House that he wondered if any Minister of Education would ever please the BUT, a majority of whom he said are committed and dedicated teachers.

"A militant minority of teachers are politically motivated and are hell-bent on bringing dishonour on that noble profession," Mr Edgecombe charged.

He implored the "vast majority" of silent parents and teachers to "rise up and condemn the militant minority."

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CSO: 3298/431

BAHAMAS

LABOR UNION INVOLVEMENT IN POLITICS DISCUSSED

Turnquest on Party Affiliations

Nassau THE TRIBUNE in English 21 Apr 86 p 1

[Article by Anthony Forbes]

[Text] Labour Director Charles Turnquest told the opening meeting of the Employers Confederation today that "unfortunately" the Bahamas seems, like other countries, to be moving into the orbit of powerful trade unions being closely connected with major political parties.

Mr Turnquest said trade unions have misgivings about the systematic use of lawyers in labour relations, as well as the increasing number of cases referred to labour courts with the delay this usually entails.

"The development of strong employers union and trade unions have resulted in a tendency towards a more legalistic approach to industrial and labour relations," Mr Turnquest said in an addressing opening the Bahamas/Caribbean Employers Confederation's 26th annual general meeting at the Sheraton British Colonial Hotel today.

"In some countries there exists powerful trade unions which are closely connected with major political parties," he said. "Unfortunately, in the Bahamas we seem to be moving towards that same position."

He said that the state of industrial relations may easily be discerned by the quality of a country's social legislation. He gave a quick outline of the English-speaking Caribbean region where decolonisation began in 1962, the year Jamaica and Trinidad and Tobago gained independence.

Mr Turnquest said that at the time of independence the labour relations systems generally reflected the model of the former colonial powers.

"You would note that the main features were voluntarism, trade union multiplicity, with inter-union rivalries and frequent alliances between trade unions and political parties and collective labour agreements with no binding force," he said.

Additionally, said the Labour Director, no distinction was made between interests disputes and rights disputes, a distinction which is fundamental to the North American and Latin American approaches to labour relations.

"Upon independence it became necessary to re-examine the labour relations systems of the countries concerned to make room for national conditions and constraints imposed by their developmental policies," Mr Turnquest said.

He said the political and economic crisis, which developed in some countries, heightened the awareness of the fact that their labour relations systems needed a thorough revision to meet their new needs.

"Hence the more extensive legislation and a stronger state involvement in labour relations between conflicting countries," he said, adding that a good example of this tendency may be in the 1965 Industrial Stabilisation Act of Trinidad and Tobago.

He said that Act made provision for the compulsory recognition of trade unions, made collective labour agreements binding, and provided for the intervention of a third party in the settlement of disputes. He said that the court has the power to make binding awards.

Mr Turnquest said that in Antigua, an act of parliament in 1967 established a Labour Court with powers to settle disputes through binding awards and in 1975 the Antigua Labour Code was enacted, making provisions for dealing with both collective and individual labour relations.

He said that it included standards for the recognition of trade unions, collective bargaining, hours of work and remuneration, termination of employment, occupational safety and health, paid leave, unlawful dismissal, work permits and settlement of labour disputes.

He said that the Bahamian labour laws consists of the following: Truck Act; Employment of Young Persons Act; Recruiting of Workers Act; Employment of Children Prohibition Act; the Contract of Service Act; the Fair Labour Standards Act and the Industrial Relations Act.

He said that in 1970 parliament enacted two new pieces of legislation-- Fair Labour Standards Act and Industrial relations Act--intended to improve and extend the scope of the Trade Union and Industrial Conciliation Act of 1958.

Noting that the Bahamas Act was similar in nature to the Trinidad Act, Mr Turnquest said that this Act was amended in 1979 and further amended in 1981.

"In 1979, the 1970 Act was extensively amended with the introduction and recognition of trade unions for the purposes of collective bargaining and a code of industrial relations practice was added," he said.



He said the Dominica Labour Relations Act was adopted in 1975 and in 1977, Acts on employment protection and labour standards were enacted.

In Jamaica, the Termination of Employment and Redundancy Payments and another Act of Minimum Wages were adopted in 1974, and in 1975 and Act on Labour Relations and Industrial Disputes was adopted.

"In this act, the Industrial Disputes Court was introduced," he said.

"In 1983, the Government appointed a tripartite commission to review the existing labour legislation and to make recommendations for their amendments."

He said that in Guyana and St Lucia, draft labour codes were drawn up along the lines of existing legislation in Commonwealth Caribbean countries.

"It should be noted that in both Guyana and St Lucia, concern was being voiced over the purely legalistic approach as opposed to the traditionally voluntarist approaches," he said. "They feared that the parties might lose interest in negotiating in good faith in a spirit of compromise."

"In short the trade unions have misgivings about the systematic use of lawyers in labour relations, as well as the increasing number of cases referred to labour courts with the delay this usually entails," he said.

"Strange as it may seem, employers have the same fears but the employers' fears are based on the premise that the courts usually decide in favour of the worker," he added.

"The trade unions counter by saying that even in such cases it is the employer who benefits since there is some delay in settling the disputes in the courts and meanwhile trade unions are not legally entitled to hold strikes," the Director added.

"The unions argue that theoretically it is always possible to hold a strike in a voluntarist system, and that this is often the most appropriate... or at any rate the most effective means of solving long problems quickly even if they involve substantive conditions of employment," he said.

Nassau THE TRIBUNE in English 21 Apr 86 pp 1, 12

[Article by Anthony Forbes]

[Text]

LABOUR Director C H Turnquest told the Bahamas/Caribbean Employers Confederation's 26th annual general meeting this morning that interdependent relationships at the workplace seem to be "spawning grounds" for conflict.

"Today more than ever before interpersonal conflict has become of wide public interest," Mr Turnquest said as he officially opened the meeting at the Sheraton British Colonial Hotel. "Perhaps the time is now right to closely examine the cost of conflict between interdependent workers."

He said that the financial consequences of unresolved conflict can be considered both in terms of human as well as cash considerations, some of which may be subtle and hidden from the view of the casual observer.

Mr Turnquest noted that in a study Kenneth Thomas and Warren Schmidt determined that 25 per cent of the manager's time is spent responding to conflict and that this figure rises to 30 per cent when dealing with first time supervisors.

"Managers need valid, relevant and objective information in order to arrive at just and equitable decisions," he said. "If the relationship between the manager and his co-workers - the source of his information - is conflictual, the information provided may be less than objective."

"Hence the opinions expressed may be more in the interest of the person supplying the information rather than the organisation," the Director added.

He said that when the decision to be made is a joint responsibility of two or more persons whose relationship conflict, the problem becomes even worse as each individual may regard the other's position as self-serving or still yet worse, intending to inflict harm.

"You may well agree that the cost of a poor decision is incalculable since we do not know what might have been, had a different decision been made," he said. "When conflict seems irresolvable, management tends to see only one way out - dismissal or reassignment."

"Financially the organisation may lose to investments in skills and job opportunities. Lost investment here would take the form of training after hiring as well as higher salaries paid to individuals with previous training and education," he said.

He said that it has been estimated that the cost of turn over of one supervisory or skilled staff, including disruption of production recruiting, interviewing and retraining, is \$17,000 or about half a year's salary.

"Changes in the role positions of the persons in conflict can reduce the friction between them by reducing the need to interact," he said. "You will find that even in this there is cost to consider."

"Here role relationships require settling into during which there is less production. Also job roles are ordinarily designed to fit together so that interdependent tasks are performed with maximum efficiency," Mr Turnquest said.

He said that when this structure is altered in order to



accommodate conflict, inefficiency unavoidably follows.

He said that the least recognized cost is wilful destruction of equipment, work processes and reputation and this is so because most forms of sabotage is hidden behind accidental mistakes or forgetfulness.

"Some people who make mistakes or forget things aren't necessarily conscious of the causes of their errors and can be quite sincere in explaining how the errors occurred, but the behavioural science knows that the so-called errors are frequently due in part to unconscious hostility," he said.

He said that employees perform more effectively and efficiently when they are

motivated to perform well, and that people can be extremely busy at their desks all day long yet their productivity could be less than what may be provided under a nagging boss.

He said that absenteeism may be caused by the following: (I) lack of interest in work and a desire to avoid an unpleasant work place; and (II) actual physical illness due partially perhaps to the emotional stress of chronic interpersonal conflict at work.

Mr Turnquest noted that some medical practitioners are now saying that most physical illness is partly psychogenic, which is one's susceptibility to a virus or to breakdown of a physiological process in the body which increases when the

person is under stress such as the stress inherent in unrelieved interpersonal conflict at work.

"Physical illness causes a loss of work time. Cost is also due to the need for medical care and attention with the accompanying insurance claims," he said. "This may result in an increased rate of insurance which rate may be passed on to the employer where the employer pays all the insurance cost."

"All things considered the cost conscious establishment may regard conflict among employees as an issue worthy of serious attention. Organisational conflict management has re-emerged as an executive and supervisory function which is relevant to the bottom line - cost factor," the Director said.

/9317

CSO: 3298/431

BAHAMAS

AIRPORT IMPROVEMENTS READY; RADAR PROJECT ADVANCES

Nassau THE TRIBUNE in English 16 Apr 86 p 1

[Text]

TRANSPORT Minister Philip Bethel today announced that the first phase of the Nassau International Airport development programme has been completed with the new international arrival facilities to become operative by next month.

"This will include, among other things, a new arrival health facility, a new transit lounge to accommodate approximately 200 intransit passengers, a new Immigration facility with 20 inspection booths and back-up office space, a new baggage claim hall and Customs inspection facilities which include four new 200-foot baggage conveyor belts and back up office space and a new arrivals hall to facilitate meeters and greeters of arriving passengers," a statement said today.

The new facility is expected to meet the projected needs of the country through the year

2,000 and beyond, the Minister said.

Mr Bethel, who is also Minister of Local Government, further announced that the Nassau International Airport radar project is nearing completion and should become fully operative during September of this year.

"As a result of Bahamian-United States cooperation in this venture, long range secondary radar data from the Nassau radar system is now being used to some extent by the Miami air route traffic control centre," the Minister said.

"This is the first of four major steps to the full utilization and commissioning of the Nassau radar system and allows for continuous surveillance of transponder-equipped high altitude flights from Florida to Puerto Rico," Mr Bethel said.

The next phase of the airport

redevelopment programme will be the construction of a new United States pre-cleared flights terminal and upper level boarding fingers and air bridges.

"This terminal will provide facilities for United States Immigration and health agencies, airline ticket counters, office space, airlines first class lounges, a pre-cleared lounge, a VIP lounge, police station, restaurant, bar and other concessions," the Minister said.

The Minister said that the boarding fingers will be completed with 10 aircraft parking bays and air bridges to allow "convenient enplaning and deplaning of passengers at the upper level directly from and into the terminal building."

Construction of phase two of the airport redevelopment programme is expected to start later this year.

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CSO: 3298/431

BOLIVIA

RELIGIOUS SECTS 'BRIDGEHEADS' FOR COMMUNISM

PY010059 La Paz EL DIARIO in Spanish 23 Apr 86 p 4

[Excerpt] Worship Under Secretary Dr Pedro Martinez has charged that religious sects that are functioning illegally are serving as a bridgehead for the communist penetration of Bolivia and are also undermining society.

In statements to EL DIARIO reporters, the official said that the judicial branch has been given the dossiers of religious groups that are working illegally within the nation.

The groups are: "God's Messengers" ["Enviados de Dios"], also known as the "Children of God" ["Ninos de Dios"], and the "World Association of Revolutionary Youth for America" ["Asociacion Mundial de Revolucion Joven para America"], also known as the "Youth Revolutionary Movement for Jesus Christ" ["Movimiento de la Revolucion Joven para Jesucristo"].

The latter group is led by "Comandante Christian Casanova," who has organized a group of Chilean guerrillas that is expanding its activities both in Chile and Bolivia with the intention of "socializing" this part of the world.

Martinez stated that two Chilean "pastors" are carrying out that type of activity with great success amongst Bolivian youth, whom they try to impress with their novel ideology. It is known that they have two "centers" or "bases" in the San Andres University and in the Catholic University of Bolivia, where 50 students are very active.

According to the charges that have been submitted by parents, charges that are now in the hands of the attorney general, these students use the tactic of "brainwashing" that instills filial disobedience and promotes "tithes" or "fruits" ["primicias"] to maintain the sect.

Martinez also explained that "strong links with the Chilean guerrilla group headed by Christian Casanova have been discovered and this group desires to socialize Latin America." [paragraph as published]

They mask their work with the sayings of Cristianity in order to expand their dogma, but they also introduce foreign doctrines that are accessible to the people.

The members that are called "Brother-Comrades" ["Hermanos-Camaradas"] study a document called "Revolution and Theocracy" in which the leader outlines the importance of creating an awareness of the advantages of socialization.

Martinez stressed that "theocracy is a strange mixture of socialism and religion that is in no way accepted by the church, because it opposes the Liberation Theology and other ecclesiastic dogmas."

/12913

CSO: 3348/549

BOLIVIA

# STUDENTS DEMAND INCREASE IN UNIVERSITY BUDGET

PY031906 Paris AFP in Spanish 0018 GMT 3 May 86

[Text] La Paz, 2 May (AFP)--Over 2,000 Bolivian university students today started a fast demanding the government to increase the university budget so as to guarantee the proper functioning of Bolivian universities.

In Cochabamba, in the central region of the country, the university students, who are fasting total 1,700, and it has been reported that others will join them in the next few hours. They plan to hold the fast until the government changes its attitude regarding the university budget.

University authorities and President Victor Paz Estenssoro held a meeting a few hours ago during which they studied the problems but no agreement could be achieved in view of the extreme measures adopted by the university students.

It is believed that the total number of university students fasting in Oruro, in the southern region of the country, total 50.

Alfonsin Via-reque, the executive secretary of the Bolivian University (CEUF), has noted that there is a disagreement between the executive and legislative branches over the issue since the executive branch is allocating 26 billion Bolivian pesos for universities in the budget while the legislative branch wants to allocate 39 billion Bolivian pesos.

The Bolivian university authorities are requesting an allocation of 62 billion pesos, but the executive branch believes that this will be very difficult.

Planning Minister Gonzalo Sanchez de Lozada said that it will be impossible to fulfill the request of the university authorities by noting that the government is in no position to allocate more than 26 billion Bolivian pesos. He added: Only Jesus was able to multiply fish.

Regarding the legislative branch proposal, Sanchez de Lozada noted that that branch, unlike the executive branch, is not aware of the economic problems affecting the country.

The La Paz University Federation (FUL) sent a letter to the president in which they note that he is faithfully following his plan to hand the country over to the Yankees, by first leaving thousands of workers without jobs and now by denying students their education.

BOLIVIA

BRIEFS

**IMF EXTENDS DEADLINE**--La Paz, 23 April (AFP)--The IMF has decided to extend the deadline for receiving the national budget and the law on tax reform until 20 May, according to Bolivian Finance Minister Juan Cariaga. He explained that this will allow Bolivia to send to the IMF all the material on its budget and on the tax-reform law before this country's program is submitted for the consideration of the IMF board. Initially, Bolivia had to submit all the documents to the IMF by 15 April, but since the legislative branch has delayed the approval of these bills, the deadline could not be kept, Cariaga said. Victor Paz Estenssoro's administration is currently negotiating with the IMF a standby loan of more than \$100 million. Once the new tax reform is approved by the Bolivian congress and the IMF reviews and approves it, the funds will be disbursed rapidly, according to the finance minister. Cariaga concluded by stating that the IMF wants the country to have a mechanism capable of guaranteeing an adequate handling of state financial affairs not for just one or two months but for a long time to come. This is the purpose of the new national budget and the tax reform. [Text] [Paris AFP in Spanish 2119 GMT 23 Apr 86 PY] /12913

**JOINT MILITARY MANEUVERS PROTEST**--The Peasant Federation of Tropical Cochabamba [Federacion de Campesinos del Tropico de Cochabamba] has advised its members not to accept any medical or veterinary treatment from the U.S. troops that began military maneuvers in Bolivia's central region on 28 April. Similarly, the Peasant Federation asked its members not to fraternize with the U.S. soldiers. The joint Bolivian-U.S. maneuvers began with a program that was officially described as a public relations program comprising health and civic tasks, to be followed by military exercises. The Bolivian Labor Federation and leftist parties have condemned those maneuvers, considering them an attack on Bolivia's national sovereignty, and have stated that the maneuvers are unacceptable at a time when the United States has just attacked Libya and is threatening the peoples of Nicaragua and El Salvador. Numerous deputies of five Mexican political organizations, including the ruling PRI party, have sent a letter to Julio Garrett, president of the Bolivian congress, in which they state that those joint military maneuvers are an open attack on the dignity of the Bolivian people. [Text] [Havana International Service in Spanish 1600 GMT 29 Apr 86 PA] /12913

**CHILDREN MALNUTRITION STATISTICS**--Rosario Alurralde, executive director of the National Nourishment Institute of the Planning and Coordination Ministry, has reported that 80 percent of school children suffer from malnutrition. This is

a considerable increase compared with 1981 statistics, which indicated that 61 percent of school children suffered from malnutrition. [Excerpts] [La Paz EL DIARIO in Spanish 24 Apr 86 p 4 PY] /12913

COUNTERFEIT U.S. DOLLARS--Colonel Wilfredo Camacho, commander of the Santa Cruz Police, has announced in a press conference that Julio Jorge Nelson Lopez and chemist Carlos Orosco Rojas have been arrested for passing counterfeit U.S. dollars. The police also reported that the plates for making the counterfeit bills were apparently made in Colombia and that about \$80,000 of the forged money has been put into circulation in the Santa Cruz area. [Summary] [La Paz La Red Panamericana in Spanish 1700 GMT 31 Mar 86 PY] /12913

CSO: 3348/549



BRAZIL

# SARNEY'S POPULARITY RISES TO 92 PERCENT FOLLOWING PACKAGE

Rio de Janeiro O GLOBO in Portuguese 20 Apr 86 p 5

[Text] Between the announcement setting forth the plan for economic reform and the statement last Monday when the first results were revealed, there was a time period of 45 days and a 4 percent difference in the popularity of President Jose Sarney, which reached an unusual level, with an increase from 88 to 92 percent (level of responses indicating confidence in him).

This data was provided by an IROPE survey carried out between the 15th and the 17th of this month, in other words during the 3 days just after the most recent presidential statement. Of the 600 persons questioned (300 in Greater Rio and 300 in Greater Sao Paulo), only 6 percent expressed lack of confidence in the president, and 2 percent either did not know what to answer or chose not to. The figures for Rio were 91 percent expressing confidence and 5 percent expressing no confidence, while 4 percent did not know or expressed no opinion. The figures for Sao Paulo were 92 percent, 7 percent and 1 percent, respectively.

Of those questioned, 80 percent termed the actions of President Sarney to date "excellent" (38 percent) or "good" (42 percent) in their answers to another question. The level of "excellent" answers went up 9 percent as compared to the study made immediately after the presidential speech setting forth the zero-inflation plan to the nation, when it was only 27 percent. Eighteen percent of the answers termed Sarney's actions "average," 1 percent "bad" and 1 percent "very bad." The indices for Rio and Sao Paulo were very similar.

Of all the individuals questioned, 68 percent had learned of Sarney's statement (68 percent in Rio and 67 percent in Sao Paulo).

Concerning the statement specifically, 32 percent termed it "excellent" and 47 percent "good," providing a favorable index of 79 percent. The statement was termed "average" by 11 percent of those interviewed, while no one (zero percent), not one single one of those interviewed, said the statement was "very bad," either in Rio or Sao Paulo. But 1 percent of the answers termed it "bad." On this item, there was a considerable difference between Rio and Sao Paulo. In Rio, 85 percent approved of the statement ("good" or "excellent"), as compared to 73 percent in Sao Paulo.

Those surveyed also ventured an opinion about inflation for the month of April. Of those questioned, 25 percent said that it will be below zero, 38 percent that it will be zero, and 30 percent expressed the view that it will be above zero (the question did not specify how much).

Finally, individuals had to answer a question about their expectations as to the standard of living this year, taking the 45 days the so-called "economic package" has been in effect into account. With this first month and a half over, 75 percent of the answers were optimistic, with 13 percent saying that the standard of living will "improve greatly" and 62 percent that it will "improve." It is the opinion of 22 percent that the standard of living will "remain the same," while only 2 percent think that it will "worsen." However, no one responded that it will "deteriorate greatly," and 1 percent did not know or gave no answer. On this item too, the answer percentages were much the same for Rio and Sao Paulo.

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CS0:3342/104

30 May 1986

## BRAZIL

## ADVISER BORJA VIEWS SARNEY, RISKS IN ECONOMIC PACKAGE

Brasilia CORREIO BRAZILIENSE in Portuguese 23 Mar 86 p 8

[Interview with presidential adviser Celio Borja by Political Coordinator A.C. Scartezini: "Borja Calls For Stricter Monitoring of the Package"; date and place not given; first six paragraphs are CORREIO BRAZILIENSE introduction]

[Text] "All government officials, including the president, risk removal from office" if the anti-inflation package does not work, warns presidential adviser Celio Borja, 57. He says that the implementation of the Economic Stabilization Program should be closely monitored, because the authority and the promises of the government must be fulfilled.

Speaking from the experience of someone who has closely followed the decisions of the government since last May, when he became adviser to President Sarney, Celio Borja declares that the key to the success of the program is the maintenance of a single currency. "People must never forget," he says, "that the president's action--the substance, the essence of his action--involves the establishment of a single monetary standard in Brazil. If we begin to make exceptions for A, for B, or for C, we are making a mistake."

In this interview with CORREIO BRAZILIENSE, Celio Borja indicated that he regards his 24-year political career as ended--a career in which he served four terms as deputy (one term as state deputy in the former Guanabara State, and three terms as federal deputy in Brasilia); was a leading figure in the Geisel administration; presided over the Chamber of Deputies; and served as adviser to Sarney. He did not, however, discuss his nomination as a justice of the Federal Supreme Court (he is a professor of constitutional law).

"The president of the republic has submitted the nomination to the Senate," he said. "Until the Senate announces its decision, there is no appointment."

During the interview, Celio Borja likewise bade farewell to his role as activist in various political parties with a recommendation to the PFL [Liberal Front Party] based on his experience as someone who had previously worked in the UDN [National Democratic Union], ARENA [National Renewal Alliance], and PDS [Social Democratic Party]:

"What it (the PFL) needs," he said, "is to articulate its ideas--to formulate some minimum of party doctrine--and to transform those ideas into projects designed to establish the party and its political message."

[Question] How do you assess your experience as special adviser to the presidency of the republic since May of last year?

[Answer] The president summoned me to lend him temporary assistance personally. Naturally, because of the nature of the job, the basic rule was discretion. Discretion means not to disclose what one is doing; it means to work for the president; and it means to allow him to judge the value of the contribution that is made--possibly even at the level of the media, if he believes that is useful and appropriate. The extent to which this is true is shown by the fact that during the time I was here--to lend my collaboration (useful, I believe) to President Jose Sarney--I nevertheless obviously had to bury myself in anonymity. This is a good thing, because it makes it possible to work unhindered with only one concern--to give the president information that is as authentic as possible and that is most in accordance with the public interest, and to do so completely free from concern over any possible repercussions that this might have for me personally.

[Question] Discretion can be an attribute of a good politician, but isn't anonymity a bad thing for a politician?

[Answer] A politician needs publicity. It's like the law. A law that is made but kept in the desk drawer is not law. The politician who acts but conceals his action is not a politician. He may be a worthy adviser--may be a public servant of great value--but he is not a politician, because a politician operates in public view. The politician has a public life, and it is rigorously separated from his private life. Privacy is the prerogative of the ordinary citizen. It is the politician's duty to be a showcase, to submit all his actions to the public domain. Consequently, the function which I performed here during this period did, in a sense, kill the politician in me but at the same time was a unique opportunity for me to assist in making the best possible decisions for the nation.

[Question] What image of President Sarney have you carried away from your experience as his adviser? Isn't it true that his administration began in a timid fashion?

[Answer] He is a man who has always been capable of making decisions, even risky ones. I'd like to recall just one incident. The president was governor of Maranhao when President Medici governed the nation and sent a message to all the current governors instructing them to remain at their posts until the end of their respective terms of office and not to resign provisionally in order to run for elective office. I believe that only two governors decided to submit their provisional resignations, and one of them was named Jose Sarney. The president is basically a prudent man, and he has conducted himself from the beginning of his administration as someone who has inherited an extremely difficult situation. His most recent action--the monetary reform--has a scope, an importance, a force that in reality few presidents have had the opportunity to exercise. I believe that in the last 50 years no president of Brazil has taken any action that has had such an impact on the future of the nation as this action taken by President Sarney.

[Question] Isn't it true that the economic package was a card played by a president whose only alternatives were either to assume the leadership of an austere process or to allow inflation to run free--as formerly--and wait to see what happened?

[Answer] Precisely for that reason--precisely because it was a mature decision, because it wasn't a hazardous enterprise, and because the president is the prudent man that he is--he was able to make it at the appropriate time. What is being praised is not merely the correctness of the action taken: it is also the timing of that action. If the president had adopted his monetary reform before inflation proved to be uncontrollable, he might not have obtained the unanimity of support that he did obtain. The timing of a political action must always be taken into consideration.

[Question] If the measures in the economic package do not produce results this year as well, will not the length of the president's term of office be at stake in the election to the National Constituent Assembly in November? Could it not be shortened by the Constituent Assembly in 1987?

[Answer] The president's term of office will be determined by the Constituent Assembly. I believe no one has any doubts about this. The president's term of office will be established by the National Constituent Assembly. I therefore do not believe that the president has to fight for the preservation of his term of office or for a particular duration of that term.

[Question] But if the economic program doesn't work, there will be a lot of pressure in the streets....

[Answer] I believe the economic program will work. I believe the president's term of office was very much at the mercy of inflation. I have always contended--even publicly--that inflation disorganizes the nation. At the rate it was rising, inflation would have brought chaos to the nation. It is clear that if the government officials--not just the president, but all the government officials--are monitored, and to the extent that they do not exert themselves because they are not ethical, to the extent that they are not respected because their word is worthless and no one gives it any credence, then in truth all public officials, including the president, risk removal from office. If inflation in Brazil had reached the levels to which it was being pushed, the president would really have great difficulty governing. This is no secret. This is a certainty. Everyone can see this. Everyone saw it.

[Question] Where could the program fail?

[Answer] The program could fail, in varying degrees. It could fail to the extent that exceptions are made to the principle of a single monetary standard for the nation. That is to say, the principle that all obligations should be paid in the same currency, so that the money in which the wage earner is paid is also the money in which return on capital is paid, and the money used to buy essential consumer goods is the same money used to purchase real estate and capital goods. It is always the same money, and--thanks to the single currency--it is possible to establish a measure of justice in civil relations. If this



principle is preserved, all will be well. If we revert to a plurality of currencies, the result will be very bad. The second point is that indexing has been eliminated: that is to say, monetary correction has been eliminated, because it has been proved that monetary correction has had the effect of refueling inflation. The third critical point is the fact that the economy requires an infusion of capital. Because one makes money only through labor, it is therefore necessary to finance labor: it is necessary to accumulate savings domestically, and perhaps even to import savings. For those who wish to labor, therefore, the indispensable ingredient is capital. This is, in my opinion, the three-part formula for success in dealing with the problem of monetary reform. People should never forget that the substance--the essence--of the president's action is the establishment of a single monetary standard in Brazil. If we begin to make exceptions for A, for B, or for C, we shall fare badly.

[Question] Who could benefit from the existence of more than one currency?

[Answer] No one could, 20 or 30 years ago. Everyone was aware that justice in civil relations is possible only when everyone is paid in the same currency. This was lost sight of later, with the introduction of monetary correction, which was a special currency for liquidating certain obligations--a currency that was stronger and more valuable than the currency in which everything else in the nation was paid for. The monetary correction was designed to make it possible for long-term loans to continue to be made in an inflationary environment. For example, someone who made a 15-year loan to a borrower to build a house was certainly in a worse situation--given the inflationary environment--than someone who made a loan that was due the following day, or in 6 months, or in 1 year. If you are going to receive your money 15 years later, after it has been devalued throughout this period, you would obviously like to have some kind of protection for your capital--for the capital you have lent--in order to maintain the liquidity of your assets. In principle that was the only exception made; but the exception became generalized, and the monetary correction began to be granted for almost everything in our country except--in actual fact--for wages and also for the prices of essential consumer goods. The latter, however, could be readjusted weekly, or even daily, whereas the cruzeiro that could be used only to pay wages and liquidate obligations payable at sight was losing purchasing power every blessed day. Brazil can never forget this experience.

[Question] Aren't the banks the principal money lenders? Are the banks the victims of the economic package?

[Answer] Everyone lends money. Look: Money is being lent whenever a vendor of carrots, lettuce, and tomatoes offers to accept payment a month hence, or 15 days hence, or at week's end. Money is being lent. Banks lend money--their stock in trade is money--but every economic agent in the nation grants terms for payment of the credit he extends. In practice, therefore, everyone was being forced to accept a devalued currency. What happens, therefore, is as follows: The stock in trade of the banks is money; the business of the banks is the money business, and the banks made a lot of money from the inflation. The banks must therefore have money to lend to those who want to produce.

Money can no longer multiply itself. It can be generated for the banks only in the measure that it is successfully lent, that is to say, supplied to someone who wishes to engage in productive activity that is remunerated accordingly--someone who is able to repay the principal and pay the interest to the lender, in this case the banks. All the economic agents--all those who are part of our national life--are now participating in a genuine process of lending and borrowing.

[Question] Because of this card that has been played--this package--have not these economic agents been encouraged to attempt to obtain greater influence in the election of the Constituent Assembly, as a means of protecting their interests?

[Answer] I do not think so. I believe that all segments of national opinion are going to take part in the campaign for the Constituent Assembly and strive to exert influence in the area of their own activity. This will not be the prerogative, nor the privilege, of any particular economic group. The Church, for example--which cannot be regarded as an economic group, nor is it a part of the complex of economic forces of the nation--has sought a very substantial role in the process of selecting the topics for the constitutional debate, and is sponsoring specific solutions which it regards as just and in the interest of the Brazilian people. The Organization of Brazilian Attorneys; the press, through its associations; the labor unions--all are mobilized for this purpose. It would be truly monstrous if any group--or business community--is alienated from, and does not participate in, the national debate; for in my opinion, what people should fear is the possibility that only one group--or only a few groups--would have influence. If all of them are present, if all of them participate in the debate, if each of them tries to convince the others of the correctness of its point of view, then we shall be on the right track. What is new in Brazil, what is genuinely comforting, is the fact that there is no longer only one value system attempting to influence the course of events but that all social groups are mobilized to influence--and take part in--the decision-making process. And I do not see anything extraordinary in--indeed, view with much satisfaction--the fact that both the interests of an economic nature and the most influential interests of a social nature are concerned with the Constituent Assembly, wishing to influence its decisions and even to establish the agenda for the debate by introducing topics. This is healthy and serves to ensure a democratic society.

[Question] Can the labor unions and the Church compete on an equal footing with the economic forces in the process of electing the Constituent Assembly?

[Answer] Yes, of course. Look: The labor unions speak in the name of the people, and if we take into consideration the fact that the workers are in the majority in our country.... Aristotle said it more than a thousand years ago: The poorest are always the majority; those who live by their labor are always the majority. If we take into consideration the number of workers, we shall then be able to gauge the strength of their representation--which is the unions. Their capacity for mobilization is today much greater, because of the freedom they enjoy.



[Question] In this electoral campaign, will the economic program--if it works--benefit the PMDB [Brazilian Democratic Movement Party], which presents itself as the father of the package?

[Answer] To the extent that the PMDB or other parties are able to extract the consequences of the monetary reform, the reform will be as useful to it as to any other party, because monetary reform is not a static thing: it is destined to have consequences of the greatest importance for Brazil. It does not merely effect a change in the monetary standard, it effects a cultural change; and the more profound that cultural change, the more useful it will be from the standpoint of the reform. If any of the political parties--the PMDB, PFL, PCB [Brazilian Communist Party], PT [Workers Party], or PDT [Democratic Workers Party], any party--understands the strength, the scope, the possibilities that are opened up by the economic reform and formulates a suitable proposal, a coherent proposal, I am sure that it will get a hearing. Let all minds, therefore, hasten to derive from this measure--which is of such great importance--the best possible results for the nation; let them construct the best possible proposals. Based on the reestablishment of a single monetary standard and a currency that commands respect, things are beginning to develop in this nation of ours. This requires an effort at adaptation that is incredibly difficult; it creates a challenge whose dimensions, scope, and strength we are not yet able to evaluate.

[Question] Within the Democratic Alliance, is not the PFL in a state of crisis precisely because of the difficulty in formulating this proposal?

[Answer] No; the difficulties of the party do not stem from the formulation of this proposal. I believe that they probably stem primarily from the failure to fill a void that is very large--the void in national public opinion which in my view is identified with modern liberalism. The concept of freedom, based on the liberal philosophy, is one of the most important motivating forces of our times. It has already given rise to projects of a scope that is equally formidable. If a political party proclaims itself to be liberal but does not courageously and openly take a greater initiative in the defense of freedom in all its aspects, it is destined to fail. If this defense--to the extent that it is made--is in fact called into question, the party will not win unanimous support. Unanimity does not exist; it exists only in dictatorships and is always false. The party will, however, win so many votes--such broad support--that it will have the credentials to conclude a very important agreement in Brazilian public life either within or outside the government. Political parties were not meant merely to be part of the government. They were also meant to serve as the opposition, and in the opposition can be far more important than in the government--witness the historic example of the PMDB, a party that while in the opposition performed an enormous service for Brazil.

[Question] Isn't it true that what makes it difficult for the PFL to occupy this liberal void is the fact that because it is an outgrowth mainly of ARENA and the PDS, the party became accustomed to being only a government party?

[Answer] I do not believe that is the problem. I think that what is lacking is much more an articulation of ideas that does not overlook the fact that this

change--this transition--to democracy came about only because of those men who--although belonging to the most dissimilar parties--decided to join forces so that Brazil might again become a democratic country: one more democratic than before. In this connection--in this process--the PFL was formed from PDS dissidents, who played a leading role in the process. President Tancredo Neves would not have been elected had it not been for the PDS dissidents, who were the nucleus around which the PFL was organized and who had already been given the label of "liberal." This peaceful transition--a transition carried out, and still being carried out, so successfully--would never have taken place had it not been for these dissidents.

[Question] Even so, isn't the PFL in danger of losing strength after this year's elections?

[Answer] Every party faces this possibility when it takes part in an election--the possibility that it will experience unexpected growth or decline. Accordingly, to the extent that the party renounces its beliefs, does not assert them resolutely, does not defend them, and also does not derive from them projects of interest to the public, it will tend to lose strength.

[Question] What is lacking in the PFL? Leadership?

[Answer] No; it has leadership, and of the highest quality. What it needs is to articulate its ideas--to formulate some minimum of party doctrine--and to transform those ideas into projects designed to establish the party and its political message.

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CSO: 3342/105

BRAZIL

## PARTIES YET PREFERRING TO OPERATE CLANDESTINELY DISCUSSED

### Illegal Existence Preferred

Rio de Janeiro O GLOBO in Portuguese 20 Apr 86 pp 14-15

[Text] Brasilia--Since last year, when a new party law was approved, 25 new parties have applied for registration with the Electoral Court. They include the Brazilian Communist Party (PCB) and the Communist Party of Brazil (PC of B). The robbery of a bank in Bahia, however, made it publicly known that there are still other organizations which claim to be leftist in their activities and which choose to remain clandestine.

Today, with the departure of parliamentarians and militants from the PCB, the PC of B and the PMDB, the PT is the umbrella for the largest number of these organizations. It is difficult to identify them accurately, among other things because the national leadership of the Workers Party does not recognize them as such.

Those who robbed the Bahia bank, however, made clear their status as members of the Brazilian Revolutionary Communist Party (PCBR), and although they were expelled by the PT, this has not put an end to the discussion about their existence and the continuing status of some parties as their "hosts."

Deputy Irma Passoni, who, apart from being a PT leader, is the secretary of the national party organization, gives assurance that "individuals are not permitted to declare themselves to be PT members while at the same time being members of other parties." In her view, however, insofar as these individuals engage in personal actions, there is no way to ask them to leave the party. The PT, she says, does not regard itself as a front and believes that all political groups should be legalized.

The PT, its leaders say, does not want to sponsor any witch hunt. Issue No 17 of the national party bulletin published last March established the official position of the PT on another party under its umbrella--the Revolutionary Communist Party (PRC).

The PT statement was in response to a PRC document concerning the 1986 elections which said in part: "It is public knowledge that the PRC is a party within the PT, with its own policy and discipline." In its conclusions, the

national leadership of the PT said that "In practice, the PRC wants to establish itself at the expense of the Workers Party, making it a simple appendage to its policy."

There was no mention of expelling the PRC, but the document refers to the party program and statutes and urges its militants to combat the position of the PRC. Irma Passoni, for her part, only urges these organizations to use good sense in identifying themselves as such.

Deputy Jose Genoio, who fought in the guerrilla war in Araguaia, was a member of the PC of B and then broke with that party, winning election to the Chamber on the PT slate, and even serving as leader of the bench. Even his party colleagues do not hesitate in describing him as at least affiliated with the PRC. He denies this link, but at the same time he defends clandestine operation for the "truly communist and revolutionary parties."

"If they are legalized, they will either cease to be communist or they will be easy victims when it comes time to undertake more serious things," he argues.

In the opinion of Genoio, who on the basis of his own reasoning, would never reveal his alleged double membership, the PCB and the PC of B are "domesticated communist parties which support the New Republic."

"If the dominant class were strong enough to prevent their legalization, it would have done so. There was no concession--what occurred was a democratic conquest," Deputy Roberto Freire, of the National Board of the PCB, the "big one," says in rebuttal. Even in the days of clandestinity, he did not conceal his membership in that group.

At least on this point, the PCB and the PC of B agree. Haroldo Lima, the PCB leader in the Chamber of Deputies, says that "We were never illegal on principle or by desire. The struggle of the Marxists throughout the world is for legality."

In the opinion of Haroldo Lima, the organizations which refuse to abandon their clandestine status "are afraid, preferring to remain in the PT, with the church protection." He believes, along with the communists in the "big group," that the other communist parties do not seek legality because "They do not have the membership to do so." The legislations requires a minimum of 110 members in order for a party to be registered.

The PC of B, however, still has some militants and parliamentarians in the PMDB, and it says that it will continue with this policy as it sees fit. During the National Constituent Assembly, however, all of its militants will have to acknowledge their party affiliation.

The 8 October Revolutionary Movement (MR-8), another leftist organization which has participated in urban guerrilla warfare and the kidnaping of ambassadors in the past, still remains within the PMDB.

Marco Antonio Campanela, a member of the board of officers of the "Eight," as the organization is known, and a candidate for a federal deputy's seat representing the PMDB in the Federal District, explains.

"The PMDB was always a broad political front, and its main goal was to put an end to arbitrary government. There is now democracy in the country, but there are still many tasks publicly promised which have not been carried out. It is essential that we still have a national front in order to move beyond formal democracy. This is not the time for fragmentation."

Campanela gives assurance that the MR-8 has always acknowledged its identity. Today, for example, it makes a point of stating this in its electoral pamphlets. But, it does not, by this position, cease to be revolutionary, it insists.

Deputy Milton Reis, the new secretary general of the PMDB, sees nothing wrong with this situation, unlike his predecessor, Roberto Cardoso Alves, who wanted to put an end to double membership. In his view, the PMDB is still a front, and cannot expel anyone. He believes that the matter could be discussed in greater depth at the first national congress of the party, scheduled for August of this year, when the PMDB will study the possibility of a transition from a front to party status.

#### Other Clandestine Parties

Rio de Janeiro O GLOBO in Portuguese 20 Apr 86 p 7

[Article by Leticia Borges]

[Text] Brasilia--Except for the MR-8, which does not regard itself as clandestine, having registered as a civil body, but without abandoning its PMDB affiliation, there are other organizations with a minimum of party structure. Although it is not known for certain how many there are, some of them have greater strength, either because of their actions in student and trade-union movements or thanks to direct actions, such as the recent robbery of a bank in Bahia, sponsored by PCBR militants.

This party was one, moreover, which many people believed extinct. Founded in April of 1968 after a split with the official line of the PCB, the Brazilian Revolutionary Communist Party was for all practical purposes destroyed by the police and military repression in the 1970s.

The main center of the PCBR was always Recife, where it succeeded in nominating candidates for the November municipal elections on the PT slate. According to members of other communist organizations, the PCBR still has cells in Brasilia and Bahia. The PCBR urges the overthrow of the regime by force in order to establish a "dictatorship of the proletariat."

The Revolutionary Communist Party (PRC) also comes under the PT umbrella, as the party leadership publicly acknowledges. It came out of the PC of B, from which its members were expelled, according to Deputy Haroldo Lima (PC of B, Bahia), "because of rightist, Trotskyite positions."



During the authoritarian regime, the PRC defended armed struggle focused on the rural sector, not the cities. Apart from its strength in Sao Paulo and Ceara, where it supported the prefect of Fortaleza, Maria Luiza, the PRC has a certain strength in Para and in Rio Grande do Sul.

#### Posadas Faction

There are still various Trotskyite groups, also organized as parties, within the PT. The most important are Liberty and Struggle (LIBELU), affiliated with the International Socialist Organization; Socialist Convergence, one of the branches into which the Trotskyite movement divided after Trotsky's death, with the Argentine Nahuel Mareno as its main leader; and the Posadas faction, the followers of J. Posadas, which is also Trotskyite.

Regarded as an almost extinct group, the Posadas faction has special characteristics. One of them, almost in the realm of folklore, has to do with its members' belief in flying saucers. Rather than in regarding such phenomena as unidentified objects, they regard them as vehicles bringing beings from outer space to earth. Because these creatures are better developed technologically, since they have spaceships, they must be socialists, this faction concludes, and thus they may represent intergalactic socialism.

There are three groups with more or less different beliefs gathered together in a Revolutionary Communist Movement. They are the Movement for the Emancipation of the Proletariat (MEP), the Proletarian Democracy Communist Organization (OCDP), and the Red Wing, another faction of former PC of B dissidents.

The MR-8, the only group which still remains entirely within the PMDB, also had its origins in the PCB, to which many of its members have returned in recent years. Organized in 1966, it committed bank robberies and kidnaped ambassadors. Its position today is very different, such that members of other organizations call it the "right-wing faction of the left wing."

Marco Antonio Campanela rebuts this criticism by saying that those who make it have no authority to do so, and he recalls not only its history and the deaths of its members, but also its definition in relation to Brazilian politics now.

"What is on the agenda is not the building of socialism, but democracy, and in this connection, the domestic businessmen are revolutionaries too. For this reason we are their allies."

According to Campanela, the "Eight" has about 30,000 members and militants today. He is certain that the six candidates connected with the organization will be elected by the PMDB in November.

Just as their strategies differ, the members of these groups often disagree about what kind of organization they want, as well. In fact, this even falls within the tradition of the leftists. After all, even the PC of B has made bold to claim that it is the original communist party. Its members insist that the old PCB is the dissident group.



## Relations with Legal Communist Parties

It is no longer unusual to see communist leaders climbing the ramp to the Planalto Palace. The coexistence of the legally existing communist parties and the government has been regarded as very good, despite the differences. With the groups which still have clandestine status, however, the relationship is different. According to one of the closest advisors of President Sarney, the government now has in its hands a file on the actions of the subversive organizations, the PCBR in particular.

Government bodies have already been investigating the responsibility for other crimes of unknown authorship, and as to that committed in Bahia, which was sponsored by the PCBR, they have information that the money was intended to strengthen the communist organization, and not to support Nicaragua, as the attackers claimed. This Planalto Palace source believes that the robbery had a positive result for the government, in the end, for two reasons--the unanimous condemnation of the action and its probable negative consequences on the electoral efforts of the PT. The attackers will be treated as common prisoners, in any case. The government does not want to invoke the National Security Law.

According to our informant, the government is watching the actions of groups such as the PCBR closely, but it sees no reason for major concern, because the clandestine militants are no more than about 50 in number, and, the government concludes, they are madmen rather than revolutionaries.

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CSO:3342/104

BRAZIL

#### ADAPTATION OF BANKING SECTOR TO ECONOMIC PACKAGE DISCUSSED

Sao Paulo EXAME in Portuguese 31 Mar 86 pp 18-25

[Text] Accustomed for years to making money over and above inflation, the banks suddenly felt as if the floor was falling away beneath their feet--or more precisely, from beneath the ample and luxurious buildings in which the 15,000 branch banks, which have appeared in national territory, are distributed. The economic stabilization plan launched by the government, by almost eliminating monetary correction, put an end to the feast of great profits obtained through the use of money resting in customer accounts.

Affected harshly in their receipts, the banks will have to regain their balance by reducing costs, revising plans and, in short, wringing out their structures. And that adaptation to the new rules of the game opens the road to the most profound change in the sector since the 1964 bank reform when the bases of the present Brazilian financial system were cast.

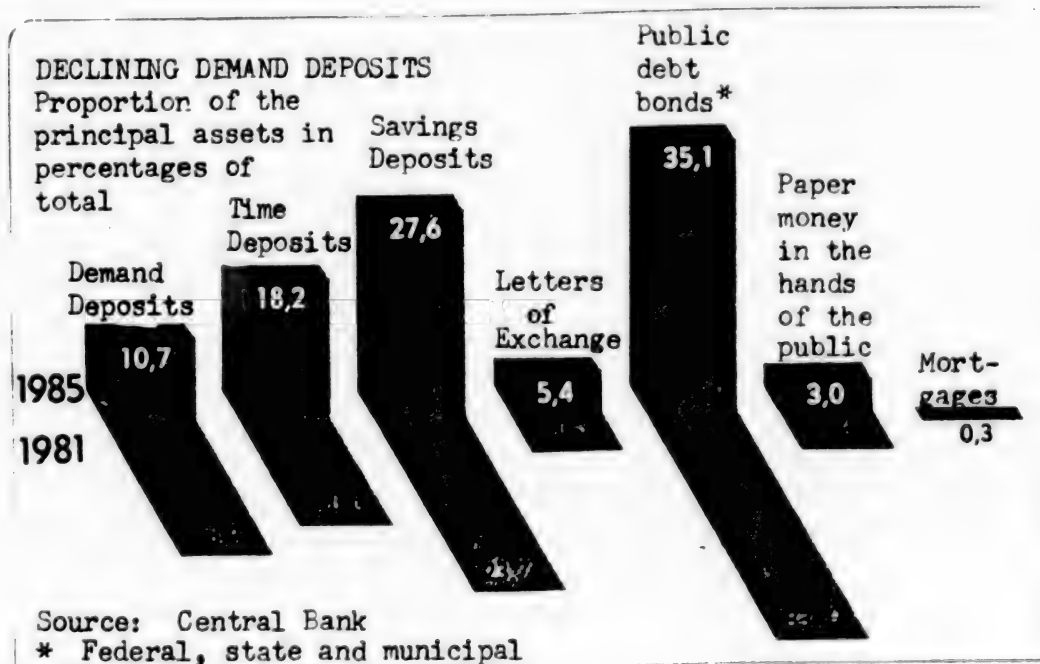
Those changes, until a new banking reform is achieved, should, however, take place naturally without government interference. However, they will take place. "It is no longer of any use to use bandages and crutches," Central Bank Public Debt Director Andre Lara, one of the authors of the economic stabilization program, warns the bankers. The message, however, had already been sent in a not so direct manner by Minister of Finance Dilson Funaro. Invited to attend the inauguration ceremony of the new board of directors of the Brazilian Bank Association Federation (FEBRABAN), the minister had been awaited as the bearer of good news capable of easing the impact of the economic measures on the sector, among them, for example, an awaited reduction of compulsory sums set aside for deposits. After all, compensations of that type, and their announcement at such times as those were routine occurrences in previous administrations. Funaro, however, in addition to not announcing anything, asked in his speech for the collaboration of everyone for the success of the measures. Some bankers sat in the back rows, another novelty of the ceremony since they traditionally occupied the front rows. And they did not applaud, which came as the final surprise after so many years of automatic applause. In later interviews, the minister said that above all he expects the banks will make efforts to cut their costs.

## We are going to Stop

The message is obvious: The system must look for its own solutions. Mean-time, all caution is being exercised. The bankers avoid speaking of closing down branch banks, dismissing personnel or reducing their investments. At this time they are studying the situation, although they may already be reexamining plans. BRADESCO [Brazilian Discount Bank], for example, after inaugurating its number 2000 branch on 10 March at remote Poxoreu (Matto Grosso), should soon open another 20. These, justifies Lazaro de Mello Brandao, president of the conglomerate, have their opening process already underway. "We are then going to stop," he says.

ITAU, the main competitor of BRADESCO, is also studying the changes after having increased the number of its branch banks from 700 to 1,200 in 1985. "Obviously we cannot grow like that any longer," says the president of the bank, Jose Carlos Moraes Abreu. Expansion plans of the two large banks, according to him, will be reviewed and investments in informatics will be reduced (See chart). Like its kindred organizations in private enterprise, the Bank of Brazil is reviewing its situation. The only thing is that this is a particularly unfortunate moment: Deprived of the functions of a monetary authority in January, the bank was preparing to become an aggressive conglomerate (See chart).

"We are dismantling the industry of inflation," declares economist Androaldo Moura da Silva, president of the Equity Shares Commission (CVM) and nominee to occupy one of the Bank of Brazil vice presidencies. As part of that industry, he observes, the financial system equipped itself for speeding up the process for the customer who wanted to rid himself of money. That was the reason for concentration on very short term operations such as the open market (public debt bonds), and the decline in demand deposits (See graph). With the reform, demand deposits are showing a large increase. "According to our forecasts," says Lara Resende, "they should triple in the next 6 months."



PROFITS GROW									
Balances of the 20 largest commercial banks									
Banks	Total Dep. (Billion Cz)		Credit Opns (billions Cz)		Net Profit (billion Cz)		Net Assets (billion Cz)		Profitability (Net P/Net Assts)
	1985	1985/1984 (%)	1985	1985/1984 (%)	1985	1985/1984 (%)	1985	1985/1984 (%)	1985 1984
1. BRADESCO	20.7	428.1	20.7	335.9	2.66	514.1	11.2	293.2	23.8 15.2
2. ITAU	15.5	430.5	12.0	332.4	1.40	345.1	6.5	283.3	21.5 18.5
3. NACIONAL	9.5	382.0	8.5	378.6	0.14	461.2	1.6	283.1	9.4 6.4
4. REAL	7.4	373.3	7.8	334.3	0.27	457.6	2.3	266.2	11.5 7.6
5. UNIBANCO	7.2	276.0	8.5	333.8	0.40	401.8	2.8	325.3	14.0 11.8
6. SAFRA	6.1	428.3	6.9	359.9	0.42	352.5	1.7	327.6	25.1 23.7
7. CITIBANK	5.0	280.3	1.5	177.7	0.22	196.2	1.0	374.7	20.9 33.4
8. ECONOMICO	4.5	272.8	5.7	238.3	0.35	281.9	2.0	261.9	17.5 16.6
9. BANERINDUS	4.5	240.5	4.7	252.1	0.35	826.8	2.6	262.6	13.7 5.3
10. MERCANTIL DE S. PAULO	3.9	265.1	2.8	246.1	0.21	421.1	2.1	229.7	10.0 6.3
11. FRANCIS E BRAS.	3.1	284.3	4.5	303.6	0.11	322.8	1.3	245.2	8.6 7.1
12. SUDAMERIS	2.3	292.7	2.8	262.2	0.05	219.4	0.7	272.5	7.5 7.1
13. NOROESTE	2.3	365.7	1.7	220.3	0.08	539.5	0.6	248.2	13.0 7.1
14. AMERICA DO SUL	1.8	329.6	2.5	239.5	0.06	289.6	0.5	259.2	10.2 9.4
15. BCN	1.7	197.7	3.3	233.2	0.15	345.4	1.4	306.6	10.8 9.8
16. LLOYDS BANK	1.6	376.5	5.7	231.3	0.14	428.8	0.5	313.0	30.8 24.0
17. BOSTON	1.4	322.2	2.1	276.4	0.08	329.3	0.3	367.9	23.6 25.7
18. MERCANTIL DO BRASIL	1.1	421.1	1.0	432.9	0.08	1 019.2	0.7	248.2	10.8 3.4
19. BANORTE	1.0	315.3	1.6	317.5	0.04	59.3	0.6	276.1	6.4 15.2
20. BMC	1.0	283.0	1.1	388.2	0.05	356.6	0.1	374.8	39.1 40.6
TOTAL	101.8	349.1	119.9	286.1	7.3	408.3	40.9	283.9	17.8 13.5

NOTE: 1) Conversion into Cruzados at rate of 1,000 to 1 on date of balance.

2) Percentages calculated before rounding off balances

Source: Published

## There is no Advantage

Without inflation, money can move more slowly. The banks have already perceived that and they are trying to adapt their machinery to the new situation. BRADESCO decreased its area of support and services to business. The automobiles that make runs to the data processing subcenters are fewer now. "There is no longer that advantage from processing a document in 24 hours," says Brandao.

With such a situation becoming a reality, this would be only one of the many changes that should take place in the banks. First of all, they will have to try to reduce costs, operating at a slower pace and one less comfortable for customers. On the side of receipts, the first change should be in the area of charging for services rendered. Before, those services were paid for according to the time the resource spent being processed in the bank until it reached the hands of its owner. For the collection of the Service Time Surety Fund, for example, nothing was charged. It was not necessary. The customer, in this case the BNH, allows the resources to remain with the banks for 39 days (the period has even reached 45 days). At an inflation of 15 percent per month, for each 100 cruzados collected, the bank was left with 19.9.

"Each charge for a student identification card," explains the director of a large bank, costs 1.6 cruzados. We, however, charged only 1.2 but held the money for 3 days." The same applied to other services. In an account with average movement, each entry costs 2.5 cruzados. The customer was charged nothing because he actually paid by maintaining an average balance.

Now bankers and the government are studying the way in which to apply those rates. The authorities seek to avoid rate tables, according to Lara Resende, allowing the Central Bank to fix only the maximum limits of the market. Banks and customers, in short, must come to an agreement on prices. If there is an impasse, forecasts a banker, some of the habits of society may undergo a change. An example: Each payment to a retiree of IAPAS [Institute for the Administration of Social Assistance and Welfare] costs the bank 13.74 cruzados. Allowing a 20-percent profit margin, as the bank wants, the price would rise to 16.48 cruzados. "Could the IAPAS bear those costs when there are 10.5 million retirees?" he asks, at the same time suggesting a response: "Perhaps it would even be better to make the payments at the service centers themselves."

## Greater Volumes

If speed of transactions is no longer so important, and if the charges for services now may tend to cause a decline in the flow of customers, the banks will certainly move in the direction of a more concentrated activity. The hypothesis aired among bankers is the emergence of agreements aimed at a reorganization of branch offices. Some banks would close branch offices in certain places in exchange for exclusive operations in others.



At the same time, the system tends to seek greater volumes in each operation. This was made clear in the first weeks after the package was handed down. The financial institutions began to accept transactions on the basis of a minimum amount. In those operations for which a floor was already established, it was raised. Overnight transactions, previously accepted in some banks on the basis of a minimum amount of 50,000 cruzados, after the package could only be processed in amounts over 100,000, 200,000 and up to 300,000 cruzados. In like manner, certified and negotiable copies of invoices were accepted by medium-sized banks if the customer's account totals more than 30,000 cruzados. After the economic reform, some institutions even imposed minimum limits for opening a checking account or a passbook account (in the latter the minimum was 10 OTN's or 1,064 cruzados).

It is only logical that it should be this way. If the costs remain the same in each operation, the increase in the volume of resources involved is a way of diluting them. "I no longer need to have a million checking accounts," says the director of a large bank, "of which 80 percent represent less than 10 percent of deposits and 60 percent of the costs. That is why I am going to focus my efforts on the remaining 20 percent."

Logic, however, may turn into a two-edged sword because of the forces of the market and if the forecasts of Jose Baia Sobrinho, president of the Brazilian Commercial Bank Association (ABBC), entity that enfolds small and medium-sized banks, are confirmed. "Even if there is a brutal reduction in expenses and a substantial increase in receipts because of the service charges," he reasons, "when everyone pursues larger volumes of resources in each operation, the spread, the profit margin, will fall."

Under those conditions, according to Baia Sobrinho, those that are not multiservice banks will be at a disadvantage. If a branch bank has fixed expenses, another way of diluting them, in addition to operating with large volumes, is to place the largest possible number of products on the counters. Another path would be the appearance of specialized regional banks in sectors such as metallurgy or mining, for example, searching for areas not yet exploited by the market.

#### New Apparel

Actually, the recent creation of interbank certificates of deposit points in that direction by allowing deposits between institutions of the same group, solidifying a system of multiservice banks. Moreover, the certificates being an instrument for the transfer of resources between banks, they ameliorate the problem that the small banks always had with the attraction of resources, particularly those banks far from the large cities. It thus leads to the emergence of regional banks in a different apparel than that imagined by Carlos Langoni, president of the Central Bank during the Figueiredo administration. Langoni sought to provide incentives for the creation of small regional banks, but these concluded by being attracted by the abundance of resources in Sao Paulo, where industries are located, and by Rio where the administration of the open market resides.



The large conglomerates, it is true, already operated as multiservice banks: In their branches they offer an infinity of services. And the institutions that make them up are in practice simple bank departments. "The investment bank in BRADESCO is only an account," confirms Brandao. However, bureaucratic problems exist because formally the conglomerate is divided up into several institutions. Each of them has its own accounting and publishes its own balances, although no one manages to discern them individually.

#### Support for the Conglomerates

The formal separation within the large conglomerates was what remained of the principles that oriented the Banking Law and Capital Market Law, passed respectively in 1964 and 1965. The idea was to have specialized institutions for an efficient allocation of resources.

When the system was still in its infancy at the beginning of the decade of the 70's, the time of the "economic miracle," the government decided to support the creation of conglomerates under the pretext of obtaining a savings of scale in providing cheaper resources to the growing economy. And those conglomerates went on to have the commercial bank as their leader, which in the majority of them operates as a holding company. The main reason is that the commercial banks have branches where products may be placed and with checking accounts, through which the other operations may be transacted. Since some abided by the system and others did not, complete and incomplete conglomerates began to coexist in the same market together with independent institutions.

For the complete conglomerates, the advent of the multiservice bank brought the advantage of debureaucratization and as Juarez Soares, vice president of the Banco Real, says, tax benefits. Acting as a single enterprise, possible losses in one area would be compensated for by profits in another. For other institutions, according to Baia Sobrinho, transformation into multiservice banks may be a question of survival. Among them are asset distributors, enterprises that grew due to an aggressive activity on the open market, an instrument today without the same attractiveness.

The role of those institutions, according to Lara Resende, was very distorted, "As their very name implies," he declares, "it is up to the asset distributors to distribute bonds. However, with inflation, they began to carry the paper." In fact, through repurchasing agreements, they turned long term public bonds into liquid financial assets--real remunerated checking accounts. In the overnight transactions, they gave public and private bonds the nature of quasi currency. "Now that market is going to shrink," imagines Lara Resende, "and the distributors should return to their original size. The sector is flexible and is going to adapt by means of mergers."

## In Favor of Regionals

The government also has ideas on a broader bank reform. However, in the opinion of the authorities, nothing should come artificially. The economic stabilization program, says Lara Resende, was imposed because of its characteristics and because of the need for maintaining secrecy. However, its progress should take place in keeping with the opinions of affected sectors. Therefore, it must not be expected that the government will impose a new profile on the financial sector through laws and decrees as happened in 1964 and 1965. "At that time the government had no other alternative, simply because there was no financial system in Brazil," explains the Central Bank director.

The government has no plan in its vest pocket, although those responsible for the reform have in mind a new format for the financial sector. "It seems that we are moving toward the multiservice banks," says Lara Resende. The state banks, according to him, should have regional restrictions, using the interbank market with greater intensity. "I am in favor of regionalization and do not believe that state banks need the same number of branch offices that the national banks have. Branch banks proliferated because of the need for demand deposits," he declares.

His idea now is to trace an inductive program in an inverse direction, the road to the reduction in the number of branch banks. In short, it is what some banks are already thinking about: Reduction of the number of branch banks at each location so as to operate with a greater volume of business. Lara Resende does not yet know whether it will be possible to reach a degree of fragmentation that will allow the attainment of regional and even municipal banks. "However, we have a system like the American, with a restriction on the number of banks at each location."

## Few Large Banks

Meanwhile, the economic team is busy with the transition phase of the stabilization program. However, during the formulation of the plan, there was already thinking about the need for a bank reform, says the Central Bank director. And as of now, if the intention is that of listening to the opinions of the market, there is no lack of them. Ronaldo Cesar Coelho, president of Banco Multiplic and the National Investment Bank Association (ANBID), believes that the Brazilian bank reform clearly points to the Anglo-Canadian system. In it there is a small number of large banks with multiple structures and absolute freedom with respect to assets and liabilities. In England, for example, there are only two banks of national importance that function as a clearing house for more than 300 medium and small banks. "In Brazil," observes Moraes Abreu of ITAU, a supporter of the idea of regional institutions, "there are 100 banks, all sharing in clearing."

The system proposed by Cesar Coelho would be possible, according to him, through mergers and acquisitions among banks located in rankings below BRADESCO and ITAU. For that it would be necessary to overcome personal problems, feasibility, jealousies, family problems and problems of

succession. That resolved, however, it would be possible to have clearing banks, the large service banks operating simultaneously with the regional or sectoral specialists. "I believe the sectoral bank to be the more suitable," says Cesar Coelho, "a trusted institution of specific areas of the economy. Why not a bank just for the shoemakers of Vale dos Sinos in Rio Grande do Sul? The Rotary Club Bank in the United States is very strong." The regional bank, in his opinion, would be a regression, given the advances in communications and informatics. In the United States it was justified by the political organization of the country itself. There are 14 central regional banks over there. Even so, the Americans today are engaged in what they call deregulation and free competition, allowing an extension of frontiers and business.

#### Guaranteed Place

Even in a new structure such as that of the multiservice banks, there would be a place for independent institutions, according to Oswaldo Antunes Maciel, director-president of Fininvest, the largest financial organization of the country not tied to the commercial bank. It has 130 branch offices, 5,000 employees, and it closed the year last year with a total of 2 trillion cruzeiros in financing destined for a clientel of an estimated 1.5 people. Independent financial organizations have their place guaranteed, he declares, because they are great providers of services of mass handling of credit. "This is so to such an extent that some banks have already made contact with Fininvest with an interest in using our structure: Our collection company alone has 800 employees," he says.

The banks, even if they entered that area, would have less flexibility. In addition to that, explains Maciel, in developed countries they are turning to the individual person through personal banking, serving a higher income group. The average value of Fininvest operations, for example, does not exceed 1,200 cruzados.

Until a more defined model is reached, much water will have to flow under the bridge of the financial sector. The process of adaptation, however, will have to be fast so as not to compromise the patrimony of the institution. The time has come for the banks--one of the knots of the "tangle of inflation" that Lara Resende expects to see untied--to awaken from a dream that has lasted almost 2 decades.

#### Automation: From the Facade Inward

In the aftermath of the monetary reform package, the fanciful race toward an electronic bank initiated by the financial institutions early in the decade of the 80's is radically changing its course and is necessarily moving toward the road of rationalization. It is true that the initial impetus of automation had already lost strength after the golden years of 1982 and 1983, when the system recorded the largest profits of its history. However, in every way, the new economic measures come to put an even greater curb on it, leading the banks to an immediate review--and even to a substantial reduction--in the investments foreseen for the computerization of their services.

Concerned by the package, BRADESCO, the largest private bank of the country, decided to act quickly. Only 15 days after the announcement of the measures, it cut the budget of 300 million cruzados scheduled for new investments in informatics this year by 20 percent. First, and practically the only ones on the list of cuts, are electronic tellers (ATM's). The 80 new units that were to be installed by the end of this year have already been cut by half.

"We are going to invest in areas where it is possible to obtain a greater return," reveals Celso Melon Raggio, assistant director of the BRADESCO informatics area. The main target is productivity. More than simply cutting down on investments, the institution is concerned with rethinking strategy, improving the cost/profit ratio to the maximum. In this respect, emphasis falls on the automation of branch banks, something considered a priority. The plan for linking the branch banks to the electronic network will be maintained. Although the cost of automation of a branch bank will be large (2.5 million cruzados, well above the cost of one ATM costing 1 million cruzados), the return to the bank is much higher.

#### Instead of a Cash Dispenser

In addition to the investment in the installation, the banks have also considered the cost of operations in their postpackage strategy. According to a survey by Tecnologia Bancaria--a company that specialized in providing bank services and has a pool of 29 financial institutions under the name of Banco 24 Horas--the cost of one ATM operation is four times that of a branch bank. In case rate fixing is decided upon, it is only natural that the 4 million customers of 24 Horas will think twice before using the system.

"Since the goal of the banks is a reduction in costs, we are going to study practical paths together," says Gilberto Dib, director general of Tecnologia Bancaria. A practical path for Tecnologia Bancaria has already been adopted by BRADESCO on the basis of simpler and cheaper equipment. By the end of December, for example, BRADESCO should install 100 cash dispensers, named SOS tellers of Banco Dia e Noite, the electronic teller of the bank. Installed in the outer part of the branch bank, this equipment allows only withdrawals and the checking of account balances. "That is enough to take care of 80 percent of the present users of the ATM's (the remaining 20 percent perform other operations such as deposits, payments and transfers of amounts) with a cost that is 50 to 60 percent lower," explains Reggio.

While the ATM's suffered some harm in an expansion, which appeared irresistible, the future of fund transfer terminals (TTF's) appears to be more promising. "After all, if the service were to be charged for, the cost of operation of a TTF is half of that charged for discounting a check at the bank," declares Dib. This reduction, together with the availability of the TTF's, today present in nearly 400 establishments, certainly makes the product more attractive in the eyes of the user.



## Impact on Industry

For the manufacturers of informatics equipment who have 30 percent of their sales in the financial area, the economic measures also cause a certain unease. But not even because of that do they relinquish the market of bank automation. "Investments by banks should continue, even though they move from the outside inward, primarily to the administrative infrastructure," declares Antonio Luiz Mezquita, president of the Brazilian Association of the Computers and Peripherals Industry (ABICOMP).

In addition, informatics companies were sufficiently sensitive to note the signals of reduction in the rate of bank automation in the last 2 years and were already diversifying their investments, turning their efforts to areas such as commercial and office automation. "If orders for bank automation equipment were halted completely in April, the impact on our sales this year would not be over 15 percent," asserts Carlos Eduardo Correa da Fonseca, director-superintendent of Itau Tecnologia (Itautec). And Digirede (which attends to 30 banks, among which Bamerindus, Nacional and Unibanco are prominent), has already invested and is ready to launch a new line of super-microcomputers for general use, it was revealed by its president, Arnon Schreider.

After all, the companies of the sector knew that the bank budgets for the area of informatics in 1986 were quite a bit leaner. BRADESCO alone, for example, had reduced the budget for automation for this year by 45 percent, long before the measures of the economic package had been revealed.

## When Profits Result from Inflation

Bank profits during inflation were obvious in an analysis of the results of 1985. "It was a year," acknowledges Juarez Soares, vice president of the Banco Real, "in which profits came from the velocity of money. The banks paid themselves with the monetary correction." Just as inflation attained record levels (235.1 percent per year if measured by the General Price Index), the results were extremely generous (See table). Total net profit of 20 of the largest private commercial banks had a growth of 408.3 percent (51.7 percent real growth when inflation for the period is discounted).

The good performance, however, was not obtained only because of credit operations, which grew 286.1 percent. The significant increase in deposits (349.1 percent) clearly shows what the economic package brought to the surface: The valuable returns obtained during the time that money remained in the checking accounts of customers. Moreover, an unusual fact in this decade contributed greatly to this: Nonremunerated time deposits grew more than inflation--317.9 percent--according to statistics of the Central Bank. Utilized, that money guaranteed an appreciable return in a year in which real interest rates went sky high. The government, for example, placed bonds on the market in August at 21 percent per year in addition to the monetary correction.

Actually, the banks benefitted from the great liquidity existing, a product of the growth of the economy that required new financing. This, although at a lower level than deposits, showed a good advance above inflation. Since part of those resources were always withheld under the pretext of reciprocity, they concluded by becoming new deposits. In addition to that, the banks last year received a good injection of money with the payment, increased by delayed interest, of part of the debt in arrears contracted by state companies.

#### Bank of Brazil Revises its Plans

Brought to bay by the end of the "conta movimento" [Creation of money by the Bank of Brazil whenever it needed it], which gave it powers of a monetary authority, in February the Bank of Brazil began to prepare for the fight with private financial institutions. It thought at that time of seeking slices of the market in the areas of fixed income funds, stocks, insurance, mercantile leasing, credit cards and passbook savings. It had remained aloof from those segments precisely because of its status as a monetary authority. However, like the rest of the financial system, it concluded by being upset by the economic package and is now rediscussing its directions.

The Bank of Brazil was precisely "warming up its turbines," explains the director of operations, Claudio Dantas de Araujo, when the package came and with it a reversal. But that does not mean that the bank is going to abandon its plans forever. On the contrary, it seeks to act in all the areas expressly allowed by a resolution of the National Monetary Council, the same one that put an end to the "conta movimento."

#### Rural Booklet

As of right now it is creating a distributor for working with the funds of stocks and fixed income, and it is preparing marketing for an impact issue in which it will show its firepower. At any rate, the Bank of Brazil will only begin to act in the other areas when it has undertaken a strategy capable of guaranteeing it a significant share of the market.

There is no lack of trump cards for beginning the new phase. Perhaps the most important is the rural savings booklet, disguised in this manner to avoid competition with the Federal Economic Bank, another official institution. Instead of attracting resources for the real estate market, the booklet is going to direct the use of funds to the rural sector, where already the largest part of the bank's operations are concentrated. The last balance shows that of a total of 63.1 billion cruzados in loans and financing at the end of 1985, no fewer than 34.8 billion were for rural sector applications. It is not idle to say that although private institutions may also use the rural savings passbook, it is believed that the Bank of Brazil will gobble up nearly 80 percent of the market.



As for automation plans, they remain marking time in the first phase. What already exists will be maintained and the on-line system, planned for several capitals, should be limited for the time being to the Rio-Sao Paulo corridor where the process of installation is already well advanced. "We are not going to place those money huts in the street. Times are now different, they are times of reduction of costs and of more efficiency," says Araujo.

#### Stock for Trades

The creation of new companies in the financial area is not an immediate concern either. According to a Central Bank resolution, each branch bank is worth a certain number of points, which vary depending on its size, and they may be exchanged for the charters of financial institutions. Recently, the Bank of Brazil deactivated 10 branch banks abroad, obtaining a credit of 224 points. The distributor being formed, according to the classification of the Bank of Brazil, is worth 2 points. There is, therefore, a reasonable surplus of stock for other trades, when and if it is of interest.

The Bank of Brazil will emerge victorious over the other institutions after the reform, Araujo believes, mainly in the large cities. The large conglomerates will open branch banks indiscriminately. The Bank of Brazil no longer has that problem; it has 43 branch banks in the metropolitan area, compared to the 400 of BRADESCO. Throughout Brazil, the bank has only 134 branch banks in capitals.

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CSO: 3342/102

BRAZIL

# PRIME RATE DECLINE ALLOWS SAVINGS OF \$60 MILLION

Rio de Janeiro O GLOBO in Portuguese 22 Apr 86 p 13

[Article by Regis Nestrovski]

[Text] New York--The leading banks in the United States reduced their prime interest rate yesterday to 8.5 percent, the second reduction in a little over a month. This brings the prime rate to its lowest level in 8 years.

This measure will enable Brazil to save U.S.\$60 million on foreign debt interest payments, since it currently applies only to credit totaling U.S.\$12 billion. The other debts are governed by the LIBOR (London market rate for the Eurodollar), which stands at 6.625 percent today.

"Looking at the difference between the cost of money and the rates the banks are charging for loans, you will see that it is 3 percentage points. The collection rate is 6 percent and the rate on loans 9 percent. It is time for a reduction," Donald Regan, advisor to President Ronald Reagan, commented during an interview on American television.

The reduction came 3 days after the Federal Reserve Bank (the central American bank) decided to reduce the rediscount rate (collected on the loans it makes to private banks) from 7 to 6.5 percent, also the lowest level in 8 years.

Some Wall Street analysts believe that thanks to the drop in interest rates, the American economy will begin to develop more rapidly again in the coming months. The first result of the good news was the high trading level seen on the New York Stock Exchange.

"Everything will depend now on the summit meeting of the seven great powers in Tokyo, at which an attempt will be made to coordinate the economies of the industrialized nations. It will do no good for us to reduce rates if the Germans and the Japanese do not adhere to our guidelines," a spokesman for the Chase Manhattan Bank said.

Analysts believe that the Federal Reserve Bank will reduce its rediscount rate by another half a percentage point by the end of the year, which should bring the prime rate to 8 percent.

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CSO:3342/104

BRAZIL

FRG FIRMS INTEND TO INVEST ROUGHLY \$5 BILLION BY 1990

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Apr 86 p 27

[Article by Germano de Oliveira]

[Text] (ABC)--The plan for stabilizing the economy obtained the formal support of the enterprises financed by German capital established in this country yesterday. Minister of Finance Dilson Funaro received a letter from the president of Volkswagen, Wolfgang Sauer, who is also a member of the Brazilian-German Chamber of Commerce and Industry. The letter stated that the German enterprises located in Brazil are planning to invest approximately U.S.\$5 billion (more than 70 billion cruzeiros) by 1990. This sum is considerably more than the total volume of investments made throughout the history of the activities of these enterprises in our country. But there was one proviso. They need greater profitability in order for these plans to be realized.

The letter from Wolfgang Sauer, who left the country yesterday (he will visit the home office of his firm in Germany and will then go on to Iraq, where he hopes to sell more than 100,000 vehicles), explained that this investment plan was developed on the basis of a study covering 1,700 German businesses affiliated with the Brazilian-German Chamber of Commerce. Basically, the U.S.\$5 billion will be invested by the 15 largest enterprises operating with German capital in Brazil (including Volkswagen itself, Mercedes-Benz, Bayer, Basf, Hoechst and Bosch). Of this total, U.S.\$1 billion will be invested this year. However, the Brazilian-German Chamber of Commerce did not state how much each business will invest or in what activities the resources will be used. "The study was made with the promise that the data would remain confidential," Alexander Knoetig, an advisor to that body, revealed.

The communication from Sauer could be interpreted as a mixture of support for economic reform and an appeal for greater earnings for the enterprises. In one part of the letter, Sauer said that "We are persuaded that this commitment will contribute greatly to the success of the courageous economic stabilization policy which Brazil is pursuing toward the ideal of controlling inflation and consolidating a more harmonious and just process of economic and social development." But the letter included a cordial warning to the government. "There can be no doubt that the investment plans, although dependent on the maintenance of favorable economic and political conditions,

reflect the confidence we have in the future and in the work capacity of the Brazilian people and government," Sauer said in another passage.

#### Trade Relations

If these investment plans are carried out, the U.S.\$5 billion for the next 5 years will total more than the entire volume invested to date in our country by the multinational German companies. Up until 1984, these businesses had invested only U.S.\$3.1 billion. But even so, Germany was described by the Central Bank as the second largest foreign investor in Brazil (as of that time, multinational enterprises had invested U.S.\$23 billion in the country, the United States being the heaviest investor, with a total of U.S.\$7.3 billion).

The Brazilian-German Chamber of Commerce has also revealed that 70 percent of the 1,700 German businesses operating in this country are located in Sao Paulo, which has transformed this city into that with the greatest concentration of German-financed industries, even including the cities in Germany (the industrial centers there are rather scattered). These enterprises, which employ 200,000 Brazilian workers (Volkswagon alone employs 45,000), invoiced sales totaling 20.6 billion marks (almost U.S.\$10 billion) in 1984.

The trade relations between Brazil and Germany are long-standing and rather productive. Germany buys 1.4 percent of all its imports here (coffee, soy beans, orange juice and iron, above all), and Brazil is its leading Third World supplier. On the other hand, Brazil is the fourth largest importer from Germany, which exports 5.1 percent of its foreign sales to this country. But the trade balance between the two countries still favors Brazil. In 1983, Brazil exported goods worth U.S.\$1.6 billion to Germany, and it imported goods worth U.S.\$603 million, giving it a surplus of U.S.\$1.071 billion. In 1984, Brazil exported goods worth U.S.\$1.9 billion to Germany and imported goods worth U.S.\$932 million, yielding a balance of U.S.\$1.018 billion. And the surplus increased still further last year, when Brazil exported goods worth U.S.\$2.180 billion to Germany and imported goods worth only U.S.\$848 million, yielding a balance of U.S.\$1.332 billion.

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CSO:3342/104

BRAZIL

HUNGARIAN PRESS LAUDS DIPLOMATIC, TRADE RELATIONS

Budapest MAGYAR HIRLAP in Hungarian 21 Mar 86 p 9

["A Quarter Century of Hungarian-Brazilian Diplomatic Relations"; passages enclosed in slantlines were printed in italics]

[Text] /Twenty-five years ago today, on 21 March 1961, Hungarian-Brazilian diplomatic relations were reestablished./

Hungarian-Brazilian relations are considerably more than a quarter century old; records indicate that Hungarians were already in Brazil /not long after/ the country was discovered. In the 18th and 19th centuries more than one of our countrymen became famous by contributing to the /scientific, social and economic/ development of the South American country. Among these we may mention /Ignac Szentmartonyi/, the learned monk, who at the invitation of John the Fifth, the king of Portugal, arrived in Brazil in 1749 as the senior astrologer along with other outstanding scholars. He travelled more than thirty thousand kilometers and mapped out the Amazon and its tributaries and the northern border of Brazil. In 1775 another Hungarian, /Miklos Joaquin/, was the first to classify and categorize the flora of Brazil. /Mihaly Kornis/ (who was a professor of criminal law at the University of Pest in 1948) codified and worked out the country's law code governing inheritance and matrimony as a Brazilian immigrant.

Toward the end of the 19th century large numbers of Hungarians emigrated to Brazil and established closed settlements in several areas. For several decades names such as /Arpadfalva, Rakoczifalva, Matyas kiraly falva, and Szent Istvan kiraly falva/ [falva = village of] still appeared on Brazilian maps; these settlements had been established in the vicinity of Sao Paulo by Hungarian emigrants who arrived in the 1920's. The vast majority of that generation of Hungarian emigrants were agricultural and industrial proletarians. The majority of Hungarians presently living in Brazil--their numbers are estimated at close to 100,000--are their descendants. (There was also a second large wave of Hungarian emigration at the end of the second world war and in the following years.)

Official Hungarian-Brazilian relations date from the time of the /Austro-Hungarian Monarchy/ which had diplomatic relations with Brazil. In 1927, relations which had been severed during the first world war were reestablished; however, they were again severed in 1942. Our political relations thereafter remained unsettled for nearly two decades--despite Hungarian initiatives to arrange them.



However, the program of /Janio Quadros/, the new president of Brazil, who took office on 31 January 1961 already called for the /establishment of diplomatic relations/ with socialist countries. At the initiative of the new Brazilian government diplomatic relations between Hungary and Brazil were reestablished on /21 March 1961/. However, the expansion of the developing cooperation was set back by the sudden turn of events in Brazil in 1964--the military take-over. Diplomatic relations were raised to /embassy status/ only on 10 May 1974.

While our diplomatic relations were stagnating our /economic relations/, aside from minor interruptions, /have continued and expanded/. By 1954, a /permanent Hungarian foreign trade mission/ was established in Rio de Janeiro. On 5 May 1961 the representatives of the two countries signed a trade, financial and economic agreement, a technical and scientific cooperation agreement, and a working plan in Budapest. In the end, Brazil ratified only the /trade agreement/ in 1963. This formed the basis for the gradual expansion of our economic cooperation.

Today Brazil /is our largest Latin American trading partner/. During the past year our imports from Brazil represented 63% (125.8 million dollars) of our total Latin American imports while our exports to Brazil represented 67.7% (29.8 million dollars) of our total Latin American exports. It is evident from these figures that our balance of trade with Brazil is running at a deficit. The /imbalance/ could be attributed to--among other things--the more than 100 million dollar debt because of which Brazil has /radically curtailed/ imports.

To further expand our commodity trade we /need a trade balance which is in greater equilibrium than it was in the past/. In this respect, it is encouraging that Brazil's economic situation at the beginning of 1984 showed a gradually improving tendency after the 1980-1983 recession. The gross national product grew 7.4% in 1985. According to economic experts, if Brazil extricates itself from its current crisis it /could become one of the leading economic powers in the world/ based on its mineral resources and industrial potential. And this also holds promising prospects for us.

With regard to the present, we receive a significant portion of our plant-derived protein fodder (soybean) from Brazil. In addition, the list of our imports includes: coffee and cocoa beans, textile industry products, cotton yarn and fabrics, farm goods, leather goods, household goods, and mining products. Our more important exports are: diesel motor trains, floating cranes, medical instruments, and educational equipment.

Last year--after 21 years--a civilian president was again elected to office. It is our hope that the new political course will also engender a renewal in Hungarian-Brazilian cooperation and that /our relations which date back centuries will be strengthened and expanded/.

\*

(MTI) Foreign Minister /Peter Varkonyi/ sent his greetings by telegram to Foreign Minister /Roberto Costa de Adreu Sodre/ of Brazil on the occasion of the 25th anniversary of Hungarian-Brazilian diplomatic relations.

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CSO: 2500/231



BRAZIL

GDR SPONSORS 'TECHNICAL WEEK' TO PROMOTE TECHNOLOGY EXCHANGE

Sao Paulo GAZETA MERCANTIL in Portuguese 1 Apr 86 p 15

[Article by Yves Leon Winandy: "GDR Sponsors Technical Week to Expand Trade with Brazil"]

[Text] The German Democratic Republic (GDR) should hold its second "technical week" in Brazil, country with which it seeks to expand its bilateral trade relations, at the end of May. Scheduled to be held between 27 and 29 May in five Brazilian cities, the event opens prospects of an expansion in trade with the GDR, this time in the field of high technology imports. "We know of the interest Brazil has in developing its own high technology industry in different sectors. We believe we have reached a level of development that makes it possible to offer something to the country in that respect," Gerd Burger, director of the Foreign Trade Chamber of the GDR explained to this newspaper in Leipzig.

Priorities

The second technical week to be held in collaboration with the Sao Paulo State Federation of Industries (FIESP) will be focused on four main themes: Machine tools, technology in the exploration of coal, durable consumer goods and bilateral trade.

Daily work (there are seven lectures) will be more concentrated in Sao Paulo, where there will be meetings during the three days already decided upon for the event. However, Rio de Janeiro, Belo Horizonte, Brasilia and Porto Alegre will also be the stage for talks by East German technicians on more specific subjects.

"Why would it not be possible to manufacture German machine tools with Brazilian microelectronic components?" asked Burger, commenting on the last item on the program: bilateral collaboration. "It is (only) a question of us analyzing where there are mutual advantages," he declared. The possibilities of technical exchange will be better specified by Harry Wieck, director general of the International Office for Trade in Licenses of the GDR, who will participate in the event.

A specific example of that exchange "will be presented in Belo Horizonte during one of the lectures reserved for the local meeting of technical week. At that time, the operation of an X-ray spectrometer, recently purchased by the Vale do Rio Doce Company from Carl Zeiss Jena for the study

of the structure of crystals, will be demonstrated. The equipment in its final installation will operate coupled to a microcomputer manufactured by Scopus of Sao Paulo.

"The instrument is of the latest in the sector, but what is important is that we made the adaptation with a computer developed in Brazil," says Hans-Ludwig Erlenbeck, director general of the Carl Zeiss Company. This is an example that can be extended to other sectors," asserted Burger.

In the specific field of collaboration in the area of machinery and equipment, the GDR intends to show its technical knowledge in the subsectors of heavy machinery for the production of heavy parts and gears of any size. "In this last sector there are only three competitors in the entire world, and one of them is the WMW of the GDR, which also makes automated milling centers," says Gerd Meinel of the trade office of that country installed in the Sao Paulo capital.

The refrigeration industry was another sector selected by the GDR in which it seeks to expand its trade relations with Brazil. In it the intention is that of demonstrating the competence of its technicians in the sectors of residential and industrial refrigeration, offering agreements on transfers of technology.

"There are talks with a Brazilian company in that branch already," reported Meinel. He believes that Brazil is technologically "out of phase" in the areas of residential refrigeration and washing machines, areas in which the GDR already has electronically controlled equipment.

With respect to the exploration of coal and its use, the organizers of the technical week seek to reemphasize the technological mastery of the GDR in the sector of exploration for lignite, a coal of lesser value than anthracite, used by the iron and steel industry. "Our lignite has a very high ash content (like Brazilian coal). We have the technology for turning that coal into good steel mill coke," said Burger.

#### Agreement with Carl Zeiss

Carl Zeiss Jena, an East German company specializing in optics, expects Brazil to place in operation the agreement recently signed with the company for the production of optical glass in the country as of 30 June. "That is the date stipulated for the delivery of technical and scientific documentation. As of that date Brazil has 36 months to begin to produce," said Hans-Ludwig Erlenbeck, director general of the Carl Zeiss Company.

The agreement with the GDR was signed last 3 February and it stipulates total investments on the order of \$27 million for the production of optical glass and optical instruments by Brazilian firms. The program is based on the installation of a pilot factory in Minas Gerais by CETEC (of the Minas Gerais government), for the manufacture of optical glass, material that will be used by three Brazilian plants.

All together the line of optical glass should cover 16 specific items to be used by the following companies: D.F. Vasconcelos (in the production of microscopes), Siom (Theodolites), and Micronal (Special quartz devices for spectrophotometry). "We believe this contract is the beginning of a new phase in relations with Brazil," explained the executive.

Up to now, he explained, Carl Zeiss has restricted itself to delivering completed equipment to the country. Now it has chosen production under license by Brazilian partners. "This is the first time that we deliver technology for the production of optical glass to a foreign partner," concluded Erlenbeck.

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CSO: 3699/8

BRAZIL

ARMY TESTS BOFORS RB-70 ANTI-AIR MISSILE NEAR BRASILIA

Rio de Janeiro O GLOBO in Portuguese 20 Apr 86 p 31

[Text] Brasilia--At the Formosa proving ground, approximately 100 kilometers from Brasilia, the Brazilian army is testing the most modern anti-aircraft missile available on the market. It is the Bofors RB-70, which the CBV in Rio de Janeiro wants to produce in this country.

This missile, which the Royal Army of Sweden has adopted, can be fired from the shoulder of an infantryman or from an armored vehicle. An extremely light missile, about 15 kilograms, it is guided by a laser beam and an infrared apparatus which is sensitive to the jet exhaust of the aircraft.

Unlike other equipment models available, the RB-70 is practically immune to electronic interference or "decoys" released by enemy planes. These "decoys," which are usually metal units burning pure phosphorus, produce extremely high temperatures which divert missiles directed toward the infrared heat of aircraft engines.

With the RB-70, this does not work. There is a laser sensor in the rear portion of the missile which "pushes" the projectile toward the target. The person firing the missile only needs to concern himself with keeping it in his sights.

The secret is a laser-beam emitter. For all practical purposes, the RB-70 "travels" along a laser beam until it reaches the target. The CBV wants to integrate this with the FILA (fighting intruder low altitude) anti-aircraft firing complex produced by AVIBRAS.

This is the second project of its kind undertaken by the Rio firm. The first was domestic manufacture of the Bofors L-70 Bofi gun. These 40-millimeter guns, linked with the FILA complex, will form the foundation for the new anti-aircraft artillery groups included in the modernization plan of the army (the FT-90).

The Bofors Bofi technology transfer program involves six Swedish and Brazilian companies. Apart from Bofors and the CBV, the FFV, Phillips Electronics and Flea Prologo enterprises will be involved in the project.

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BRAZIL

## EMBRAER PREPARED TO PRODUCE FIRST SUPERSONIC AIRCRAFT

Included in Strategic Plan

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Apr 86 p 2

[Text] Sao Paulo (AGENCIA ESTADO)--The project for the production of the first Brazilian supersonic combat aircraft has ceased to be an objective of the air defense sector. In an interview granted to O ESTADO and JORNAL DA TARDE, the minister of aeronautics, Brig Gen Octavio Moreira Lima, announced yesterday that it had been included in the strategic plan of the Ministry of Aeronautics. He was present at the Santa Cruz air base in Rio to take part in the commemoration of Fighter Aviation Day, which was presided over by President Jose Sarney.

Sarney arrived at the base accompanied by the minister-chief of the Military Household, Gen Bayma Denys; by his wife, Marly Sarney; and by civilian and military authorities, to attend the ceremonies and ensuing cocktail party, which was held in a hall to which the press did not have access.

The president had the opportunity to view the demonstrations of the AMX subsonic ground attack aircraft, produced by EMBRAER [Brazilian Aeronautics Company] in association with the Italian firms AERMACCHI and AERITALIA, with 30 percent participation by the Brazilian firm.

There were also demonstrations of the Mirage III and F-5E supersonic aircraft, winners in the fighter aviation contest. The president attended the demonstrations in the company of the minister of the navy, Adm Henrique Saboia; the minister of aeronautics, Brig Gen Octavio Moreira Lima; Minister of Education Jorge Bornhausen; the commandant of the Eastern Command, Gen Brun Negreiros; and other civilian and military figures.

Ready for Preparatory Work

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Apr 86 p 5

[Article by Special Correspondent Bartolomeu Rodrigues: "EMBPAER Prepared To Produce First Supersonic Aircraft"]

[Text] Brazil is prepared technologically to produce its first supersonic aircraft and meet the requirements of the Air Force in the decade of the 1990's. This announcement was made by the president of EMBRAER, Col Osires Silva, as he received a group of Brazilian newsmen and foreign correspondents at Sao Jose dos Campos.



"This is a goal" of the company, the EMBRAER president declared. He added that preparatory work will begin for production of the supersonic aircraft whenever the government gives the green light. In his opinion, the subsonic AMX aircraft--manufactured in association with Italian firms--serves as a parameter for the inclusion of interested firms of other countries in the plans. Initially, according to Colonel Osires, the possibility of a partnership with the United States is fading, because that country is adopting a restrictive policy limiting negotiations with governments that are not of concern to it.

Although it is not one of EMBRAER's priorities, the supersonic project has been on the drawing board of Brazilian designers and engineers for more than 5 years, together with the improvements to the AMX. It has been increasingly discussed at the Center for Research, since the minister of aeronautics, Brig Gen Moreira Lama, acknowledged the necessity for upgrading the fleet of Brazilian supersonic aircraft, currently of U.S. origin.

Osires Silva noted with great enthusiasm that the success of EMBRAER--which sells aircraft to more than 40 countries--is due to the determination of the Brazilian Government to meet, with its own technology, the requirements of the Ministry of Aeronautics. He illustrated the progress made by citing an example. "In 1959," he said, "when we were building our first metal plane, France was working on the Concorde project. The technology of the AMX can be compared to that of an Airbus: that is to say, only a small leap forward remains for us to achieve the supersonic aircraft."

The Brazilian supersonic aircraft would be used to serve--with greater efficiency--all the four corners of the nation, which because of its continental dimensions would require transportation capable of this kind of speed, in case of war. In an attack on enemy bases, however, the subsonic AMX--the president of EMBRAER believes--can perform at the same level and at lower cost. This performance, says Osires Silva, is surprising military strategists, and for this reason EMBRAER anticipates "some surprises" with respect to sales of the AMX to certain countries.

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CSO: 3342/105

BRAZIL

BRIEFS

DOCTORS TO CUBA, NICARAGUA--Brazilian doctors will travel to Cuba and Nicaragua to exchange information and inform themselves concerning the health care policy developed by the two countries, and especially by Cuba, which is obtaining positive results in the field of primary care by heightening the awareness of the professionals who work in that field and the awareness of the public itself. The group of 20 doctors--headed by the president of the Brazilian Medical Federation, Gabriel Oselka, and the vice president, Francisco Costa--believes that some international experiences can be adapted by Brazilians. In this way they will be able, during the trip, to take notes concerning the system used in Cuba and Nicaragua and study the possibilities for employing it in Brazil. Cuba is known for the effectiveness of its health care policy, which is hierarchized and directed by the state, thereby making possible the democratization and equalization of medical care. Gabriel Oselka affirms that "independently of any political ideology, all those who become knowledgeable about the Cuban system return very much impressed: hence the curiosity, and the desire to become knowledgeable too." The doctors' trip is scheduled for July, when a number of conferences and congresses will also be taking place in the area of health, such as basic health care and scientific research on endemic diseases. (By Yolanda Vianna, of EDITORIA INTERNACIONAL) [Excerpts] [Brasilia CORREIO BRAZILIENSE in Portuguese 23 Mar 86 p 18] 10992

CSO: 3342/105

CHILE

CUBAN COMMENTARY ON PINOCHET'S REPRESSIVE REGIME

PA020449 Havana International Service in Spanish 2300 GMT 1 May 86

["Our America" commentary]

[Text] The dictators and their obsessions could very well be the title for a book covering the sickening attitudes of some who defend power. There is no doubt that a special chapter of the book could be dedicated to Augusto Pinochet. Pinochet, for many, many years has been suffering with the obsession that he sees communists everywhere.

On Tuesday, while the streets in Santiago were becoming impassable because of the smoke from the teargas, the shots being fired by the carabineros, and the screams of the demonstrators, Pinochet was speaking before a group of OAS women, reiterating that he would not hear the demands for democratization made by popular sectors and political parties. The Army, Pinochet said, will struggle to protect the Constitution which restrains the communists. Pinochet continued saying: Today, freedom is threatened and the communists are alive.

According to the head of this de facto regime, communists are all those who periodically demand an end to indiscriminate repression, demand social and economic improvement, and a democratic government that will bring the 13-year-old government to an end. As far as the chief of the Chilean regime is concerned, the children who die from bullets fired by policemen are communists; perhaps the high ranking officials of the Catholic Church, who are also insisting on an explanation for all the political crimes and a serious revision of the juridical situation of the country are also communists.

If Pinochet were to look beyond his political concept of the opposition, he would have to give serious consideration to a document signed by 30 bishops. The document warns that the time to revise the Constitution decreed by the junta in 1980 has come, so that the people be given the right to organize in accordance with the wishes of the majority. However, there is nothing that can be done. The leader of the coup is bent on following the Constitution approved in 1980. This Constitution not only allows him to remain in power until 1997, but also gives him extraordinary powers such as the power to declare a state of emergency and a state of danger in the event of a breach of domestic peace.

At this moment when that South American country is experiencing very difficult times, it is important to say that without exception, all the national sectors took to the streets to demand, once again, the social vindications that will facilitate the path toward democracy. In his determination to put an end to the communists, General Pinochet ordered a repression that included horrible house-by-house searches, the arrest of thousands of people, and their confinement to athletic stadiums. These methods remind us of the brutality unleashed in 1973. The ghost of communism has become an obsession for the head of the Chilean regime, and this does not allow him to see that the acts of repression against the opposition will not make them give up the struggle that sooner or later will put an end to the dictatorship.

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CHILE

INTERNAL SITUATION SEEN 'SHORTENING' PINOCHET'S TERM

PA290321 Havana International Service in Spanish 2300 GMT 27 Apr 86

["Our America" commentary read by announcer]

[Text] A reactionary such as Pinochet can only reaffirm he is a genocidal man. His constant anticommunist diatribes, his violent hatred toward his people impede him from giving his regime the touch of an alleged democracy that the White House masters demand. Not a few people in Washington favor the idea of enforcing in Chile the formula used in Haiti and the Philippines. In those nations, the White House forgot its commitments to Jean-Claude Duvalier and Ferdinand Marcos in view of the fear of the growing peoples' struggle, and immediately replaced them with persons less disliked by the people.

A strong confrontation with the Pinochet dictatorship is being promoted in Chile, particularly in the last few days, and mainly in Temuco, a city of only 170,000 people. On 22 April violence took over in the Temuco streets when a tremendous police display--including helicopters and riot control cars--brutally attacked youths who were protesting the presence of General Augusto Pinochet in the city. The indiscriminate attack of that day left many wounded, mostly students, who were attacked by the police with no consideration.

Seventy-two hours later, one young student was reported dead as the result of wounds inflicted by the police. One rightist group threw fire bombs at the home of the secretary of the Chilean Bishops' Conference and Bishop of Temuco, Msgr Sergio Contreras. Other antigovernment demonstrations took place in Santiago, Valparaiso, and Vina del Mar, involving tens of thousands of students and a large number of university professors. These demonstrators were also violently attacked.

This movement, along with the political and military actions being carried out against the dictatorship, indicates the situation in the southern country is tending to deteriorate quickly and that the fascist president, so prone to shed blood, is also quickly shortening his time in the presidential office.



Washington seems to be closely following the Chilean regime's crisis, and undoubtedly would gladly sacrifice Pinochet in order to undermine the opposition process in that nation.

Meanwhile, the Chilean people are showing they are no longer afraid of repression and that attitude--united to a deep political conscience--cannot only lead to the tyrant's fall, but also to the failure of the U.S. interventionist strategy.

/12858

CSO: 3348/550

CHILE

DEPUTY MINISTER COVARRUBIAS VIEWS TIES WITH PRC, U.S.

PY032326 Santiago LA TERCERA DE LA HORA in Spanish 27 Apr 86 pp 6, 7

[Patricia Escalona C. interviews Chilean Deputy Foreign Minister Sergio Covarrubias aboard airplane that took him back to Chile from the PRC]

[Excerpts] [Escalona] It is noteworthy that the Chilean Government has such a good relationship--and even wants to strengthen it--with the PRC Government which is communist...

[Covarrubias] For a very simple reason. During my talks with their highest-ranking authorities we agreed on two key points, namely that Chile and the PRC are promoting domestic peace and peace with the rest of the world. Therefore, they also have a very distinct policy, that is, not to meddle in the domestic affairs of other nations. During the talks in Beijing, none of the officials asked of any questions about our domestic activities.

Balance

[Escalona] Can this pleasant understanding with the PRC be understood as an attempt to balance Chile's foreign policy vis-a-vis its total rejection of the Soviet Union, with which there are unending frictions? Does this mean that the Chilean Government can agree with any government in the world even though they are politically at odds with it?

[Covarrubias] Of course, Chile has always been open to an understanding with any country, provided that Chile is respected as an equal nation. Because every country is sovereign, regardless of its size, appearance, or might, there is no reason for a powerful state to intervene in the affairs of a smaller state. Thus, the principle of respecting the sovereignty, of not meddling in the internal affairs of other nations, is a basic precondition for reaching an understanding in international relations. This is a key point.

[Escalona] Will there be other expressions of Sino-Chilean friendship this year, such as visits by Chinese people to Santiago?

[Covarrubias] There are a number of things planned and we will have to wait and see how they are being implemented. Invitations have been extended to political authorities. On the cultural and sports levels, scholarships are to be exchanged.

[Escalona] Do you feel that Chile's ties with the PRC, strengthened by this good-will mission, will help Chilean foreign policy, which is having problems with the United States and human rights problems at Geneva?

[Covarrubias] I feel that Chile's foreign policy has taken several important steps. Quite often, without reason and without knowledge, it is being said that Chile is isolated, and criticism is leveled at the development of our diplomacy. We are in a position to prove that in no way we are isolated.

A sudden resolution at a Human Rights Commission does not mean that Chile is being condemned. There has been no condemnation. Thus, quite often Chile's relations with the rest of the world are judged by details, and Chile's relations with nations like the PRC and others that are willing to trade with us are overlooked.

We have no strings attached. As long as we are respected we are open to those countries that meet those principles. We have taken other steps. Now, for example, the binational commission with Argentina is holding meetings and economic integration is being implemented.

We will hold talks with Peru soon. Thus, we are holding talks with all the nations and we can see that we are maintaining a good relationship.

#### United States

[Escalona] What about the United States?

[Covarrubias] Well, our foreign minister has explained this point quite often. The relationship is normal. We never said that the relationship is strained. The relationship is termed good.

#### Antarctica

[Escalona] How is the Sino-Chilean cooperation in Antarctica faring?

[Covarrubias] They thanked us very much for the cooperation we have given them. We have given them logistical support. They are grateful and we are interested in continuing to cooperate and in conducting joint research. Since they are members of the Antarctic Treaty, they are important and we must talk with them.

[Escalona] This was a long mission to the PRC--2 weeks in the PRC is a long time for a mission. How can it be explained that 130 Chileans were on such an extended official mission in that country?

[Covarrubias] That is correct, it was a bit extended. The idea was to make it a little shorter but the PRC Government was interested in having our delegation move throughout the PRC, getting acquainted with the country and not just in holding meetings at a given level. I believe this is very important. We visited every city in the south, center, and north--10 in total--accompanied by delegations. We covered a wide range in different areas of the national PRC activities and this is what their government wanted. This mission spent 2 weeks there at the request of the PRC Government.

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CSO: 3348/550

CHILE

POLL SHOWS UNIVERSITY STUDENTS FAVOR DEMOCRACY

PY052211 Madrid EFE in Spanish 1057 GMT 4 May 86

[By Senen Conejeros]

[Text] Santiago, Chile, 4 May (EFE)--Chilean University students, who overwhelmingly support democracy as a government system, have decided to promote a social mobilization with workers and other Chilean social forces.

What and how Chilean University students think is the subject of a recent poll conducted by the Center of Studies of Contemporary Issues, which is part of the Christian Humanism Academy.

Professor Carlos Huneeus, a doctor in political sciences, who led the research team, told EFE that the poll was carried out among 1,300 students from the Chilean and Catholic universities of Santiago and from the Catholic University of Valparaiso.

The poll was rejected by about 20 percent, while the percentage of mistakes is believed to be about 0.5 percent [figures as received].

Prof Huneeus noted the usefulness of the study by saying that "Chilean politicians may say that they know what Chileans want, and what they think, but while these opinions are not channeled through votes, these polls are the only valid means by which we can scientifically study the issue."

According to the results of this poll, 85 percent of university students answered that "democracy is preferable to any other kind of government." Moreover, 82 percent of the students noted that "the present national problems may be better solved within the framework of a democratic system," while 62 percent said that "the university problem will only be solved when democracy is restored in the country."

Some 75 percent of the youths who were polled said that "political parties, in general, are indispensable for governing the country," and the same percentage said they favor "direct presidential elections."

Regarding the 1980 Constitution, which was promoted by the military regime, 28 percent said it is "acceptable", and only 9 percent said it is "good."



Asked about 1989, the year in which, according to the Constitution, presidential elections are scheduled to be held, 73 percent said that these elections should be held before 1989, and 14 percent said they preferred to respect this date.

In addition, 30 percent of the students said that the situation in Chile is "very bad," 34 percent said that it is bad, while only 2 percent believe it is "good." Moreover, 43 percent of them believe that the situation of the country "will be worse" in the future.

Regarding social mobilization, 48 percent believe that "students must unite with all other social sectors to conduct a social mobilization," while 3 percent believe that "students should not meddle in politics."

Asked about their personal experiences with repression, 20 percent (one out of five) said they either had been imprisoned or suffered some sort of repression.

Regarding the results of the poll, Prof Huneeus noted that "it is always useful to know what Chileans think about politics." He also warned about the risks involved in "adopting political decisions without knowing the people's will."

/12858

CSO: 3348/550

CHILE

OPPOSITION VIEWS USE OF FORCE AS 'LEGITIMATE'

PY021422 Madrid EFE in Spanish 0324 GMT 1 May 86

[By Juan Jose Foundes]

[Text] Santiago, 30 Apr (EFE)--Jose Ruiz Di Giorgio, Chilean union leader and vice president of the Christian Democratic Party [PDC], today said that the use of force "is legitimate," although "absolutely impossible."

In an interview he granted to QUE PASA, Di Giorgio said that it is legitimate "to create an army to face Pinochet" because "it is necessary to have the means to use force," but he also believes that "it is impossible to defeat the government by military force."

This is the first time that a moderate opposition leader has publicly recognized the actual need, as opposed to the doctrinal tenet, for the use of force "when people are oppressed and have no other way out."

So far only the Marxist left, mainly the Communist Party, the Socialist Party headed by Almeyda, and the Movement of the Revolutionary Left (MIR) have said that the use of violence is legitimate.

Violence has been used over the last 2 years by the Manuel Rodriguez Patriotic Front (FPMR), an organization that says that it has the support of Marxists, PDC members, and military dissidents. The government, however, says that the FPMR is "the armed branch of the Communist Party."

Di Giorgio's statement was published today by QUE PASA on the eve of Labor Day, and at a time when the military regime's forces have been carrying out massive raids and arrests in districts where workers live.

The Chilean Human Rights Commission has stated that the "dragnet" operations carried out over the last few days by the Carabineros (militarized police) and Army troops "are typical war operations."

PDC President Gabriel Valdes has stated that these operations are an "unspeakable abuse" that "can generate more violence."

The confrontations between the opposition groups and the regime's forces over the last few days have resulted in 5 deaths, 63 bomb attacks, 11 wounded, and over 1,200 arrests. The dead include people from both sides: 2 Carabineros and 3 oppositionists. The wounded include four members of the military forces who were ambushed on 29 April.

Despite his statement on the legitimate use of force, Ruiz Di Giorgio said that "we must seek a way out without having to resort to confrontation, which we consider useless." He added that the only possible choice still available is a "broad, massive, and sustained social mobilization." He stated that, however, "if there is no other way out, violence will take over the country. Not because the people want it, but because the government is creating the conditions for it and because there are people who are taking a more violent position as a result of a desperate situation."

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CSO: 3348/550

CHILE

BRIEFS

TELEPHONE SERVICE CUT--A few minutes ago, the National Telephone Union, SINATE, released a public statement in which it charges that internal security personnel of the telephone company, not company personnel, are responsible for cutting phone lines in La Legua, El Pinar and other neighborhoods, where extensive search is being carried out by combined Army, Carabineros and CNI [National Intelligence Center] forces. The SINATE also states that the union considers it to be a very serious matter the fact that a state enterprise such as the telephone company should proceed to cut off this public service at a time when the community most needs it. [Text] [Santiago Radio Chilena in Spanish 2300 GMT 29 Apr 86 PY] /12858

AD SUPPORTS CIVIC ASSEMBLY--The Democratic Alliance [AD] yesterday gave its full support to the Civic Assembly in a public declaration made by an AD spokesman. The AD also gave its full support to the document released by the Civic Assembly entitled "Chilean People's Demands," regarding political and social claims. The AD declaration states that the Civic Assembly and the "Chilean People's Demands" document "represent the thinking of the great majority, with respect to the problems affecting the people. Therefore, to solve these problems it is necessary to have a democratic regime as soon as possible." [Text] [Santiago LA TERCERA DE LA HORA in Spanish 30 Apr 86 p 6 PY] /12858

SOVIET CREWMAN HOSPITALIZED--Talcahuano--A 24-year-old Soviet citizen, crewman of the factory ship "Joakim Vacietis," operating in international waters, was taken to San Vicente Port yesterday at 1700. He had a heavy internal hemorrhage caused by a perforated ulcer. S.O.S. signals from the ship were received beginning 28 April at 0900. The tugboat "Gilda," from the port of Talcahuano, took aboard the "Joakim Vacietis" Dr Oscar Herrera, the director of the IST [expansion unknown], a paramedic, and military police personnel. The crewman was taken aboard the tugboat to San Vicente Port, from where an ambulance took him to the IST. According to Dr Herrera, his state of health demands care but it is not extremely serious. He was identified as Taranyuk Andrey. He is the 17th foreign crew member taken to San Vicente for health reasons, and the 12th Soviet citizen in less than a year. [Text] [Santiago LA TERCERA DE LA HORA in Spanish 30 Apr 86 p 14 PY] /12858

HEALTH MINISTER EXPELLED--Santiago, 30 Apr (EFE)--Health Minister Dr Winston Chinchon has been expelled from the Chilean Medical Association. Dr Juan Luis Gonzalez, president of the association, has confirmed that Chinchon was expelled from the association by vote of 22 of the group's 23 national counselors. Since joining the military government, Chinchon has maintained a policy of permanent confrontation with the association, which is one of the most combative associations in the country. The group submitted him to an internal trial. The medical association has tenaciously opposed the Health Law promulgated by General Augusto Pinochet's government, accusing the regime of destroying the Chilean social security health service, one of the most advanced in the world. The president of the medical association said on announcing Chinchon's expulsion that it was due to "transgressions of the code of ethics that each member of the association must know and obey." [Text] [Madrid EFE in Spanish 0228 GMT 1 May 86 PY] /12858

UNION LEADER RESIGNS--Santiago, 24 Apr--Jose Ruiz Di Giorgio, chairman of the Magallanes Petroleum Workers Federation has tendered his resignation. He said he lacked time to deal with the union problems in this sector. Antonio (Dimisa) has replaced him. Di Giorgio will, however, assume another post within the board of the Petroleum Workers Federation. [Summary] [Santiago Domestic Service in Spanish 1700 GMT 24 Apr 86 PY] /12858

CSO: 3348/550



CUBA

#### BRIEFS

EXPANSION OF OIL STORAGE CAPACITY--The local news media announced today that Cuba will increase to 1.4 million cubic meters its fuel and oil storage capacity. In order to carry out this plan, the Basic Industry will build eight fuel storage plants during the current 5-Year Plan, which will have tanks whose total capacity will be over 305,000 cubic meters. Among other plans, we have in first place, a terminal for supertankers, which is currently under construction, in Matanzas Province. This terminal will handle 150,000 ton supertankers transporting crude oil and 70,000 ton ships transporting fuel oil. The installation of new oil pipelines will begin soon and also the installation of multipurpose pipelines for large scale operations. Approximately 60 km will be for fuel oil, 550 km for crude oil, and 300 km of additional pipelines for large scale operations. [Text] [Havana International Service in Spanish 2300 GMT 23 Apr 86 PA] /12913

MTT EXERCISES 'OUTSTANDING'--Jorge Lezcano, Central Committee member and first secretary of the party in Havana City Province, described as outstanding the demonstrative exercises of operational capacity held yesterday in a defense zone in Habana Del Este by Territorial Militia Troops [MTT]. Lezcano said that, during the exercises, a territorial defensive variant with elements of a people's war was efficiently put into practice, the positive result of which is an increase in morale in the military and material capacity to conquer the enemy that attacks us. [Text] [Havana Radio Rebelde Network in Spanish 2300 GMT 5 May 86 FL] /12913

CSO: 3248/406

DOMINICA

BANANA INDUSTRY GETS UK AID, REPORTS ON 1985 RESULTS

\$2.5-Million Gift

Port-of-Spain DAILY EXPRESS in English 22 Apr 86 p 15

[Text]

ROSEAU, Monday (CANA) — The British Government has agreed to earmark \$2.5 million from an independence gift to Dominica towards the Banana industry, Prime Minister Eugenia Charles announced today.

Miss Charles told the annual general meeting of the Dominica Banana Market Corporation (DBMC) that the move was aimed at helping the industry which is facing a debt of more than \$18 million (EC), to maintain the country.

"The banana industry should in fact be maintaining the country, since it is the most important industry in the country," Miss Charles said, adding,

"we should be living off it."

She went on: "At the moment we have not been able to do that for many years, and therefore the government does not regret having to give up \$2.5 million from other developing projects to ensure that the banana industry is better off as a result, and that things are done to make the industry not only stand on its own feet but provide the wherewithal for Dominica to continue developing."

But Miss Charles said the money would go to the industry only if local commercial banks would come up with a formula acceptable to the British.

Annual Report

Port-of-Spain TRINIDAD GUARDIAN in English 24 Apr 86 p 15

[Text]

ROSEAU, April 23, Cana — DOMINICA'S banana production rose by eight per cent last year, but the island's Banana Marketing Corporation (DBMC) is still in debt to the tune of \$18.4 million, according to the DBMC's annual report and accounts for 1985.

The report which was released at the annual general meeting of the corporation shows a production rise from 31,400 tons in 1984, to 33,963 tons last year, realising sales of over \$36 million and a gross profit of \$17.8 million.

But the corporation registered a deficit of more than half a million

dollars, due mainly to operating and administrative expenses which totalled almost \$17 million. The deficit was offset by a \$1.5 million grant from the United States Agency for International Development (USAID).

The DBMC, which started the marketing of Dominica's bananas on the United Kingdom market in July 1984, inherited a debt of some \$16.7 million from the Dominica Banana Growers Association (DBGA) which previously administered the industry.

DBMC's chairman Vanoult Charles in his report on the state of

and prospects for the banana industry said that although commercial loan repayments started in May 1985, the debt situation continues to exist primarily because of further loan assistance provided under the UK government aid programme.

Charles said windstorm and drought damage restricted last year's production increase to eight per cent from a projected 20 per cent.

### **Average Yield**

But he added that barring natural disasters, with the move from wet-packing to the field packing of bananas, and increased inputs under an expansion programme now in progress the average yield should increase from four to ten tons per acre which would realise an annual production target of 50,000 tons.

The DBMC has also expressed concern about the uneven distribution of production among local banana farmers.

The figures show that 3,700 of the 5,021 growers produced less than seven tons of bananas in 1985. Of this number, 1,500 produced less than one ton for the year. Seventy-five per cent of banana growers were responsible for only 22 per cent of the island's total production.

/9274

CSO: 3298/421

DOMINICA

BRIEFS

BRAZILIAN ENVOY--Roseau, 9 Apr (CANA)--Brazilian Ambassador to Dominica O. L. Berenguer de Caesar today presented his credentials to President Sir Clarence Seignoret. De Caesar, who is here on a three-day official visit, will also meet Prime Minister Eugenia Charles and government and private-sector officials. He is also scheduled to visit a number of industrial sites. The Brazilian diplomat leaves here on Friday. [Text] [Bridgetown CANA in English 1958 GMT 9 Apr 86 FL] /9274

CSO: 3298/421

JAMAICA

# PNP OFFICIAL EXPLAINS FOREIGN VISITS OF PARTY FIGURES

Kingston THE DAILY GLEANER in English 19 Apr 86 p 8

[Letter to the Editor by Paul Robertson, general secretary of PNP]

[Text]

THE EDITOR, Sir:

The People's National Party receives numerous invitations from political parties of all persuasions all over the world to attend their Conferences or meetings. Some we accept, and others we cannot because of various circumstances — including domestic political issues which at the time are paramount.

We do, from time to time, announce our attendance at these Conferences and meetings when we are making major or important presentations — as Mr. Manley did at the International Conference on Foreign Debt which was hosted by Cuba last year, and when — despite the initial propaganda (including a rash, intemperate and pre-mature statement by Mr. Seaga), Mr. Manley presented proposals which were different from those of Cuban President, Fidel Castro.

There was absolutely nothing deliberate in not informing the public that the PNP accepted an invitation and was represented at the recent conference of the Cuban Communist Party in Havana by its Vice President, Mr. O.D. Ramallie.

Mr. Dudley Thompson did not attend that Conference as your columnist, Franklin McKnight stated. He did, however, attend a Conference which was held in Nicaragua on

"Non Intervention and Peace in Central America", and which was attended by representatives of political parties of varying ideologies which subscribe to the principle of plural democracy. We are not apologetic about our commitment to Peace and Non Intervention by any foreign country in sovereign states as was exemplified when we condemned the Soviet's invasion of Afghanistan a few years ago or the USA's invasion of Grenada, despite the reasons advanced by both these powers.

For the record, too, Mr. Thompson also represented the Party at the recent Conference of the Communist party of the USSR in Moscow, following which he represented the President of our Party at the funeral of Sweden's Prime Minister, Mr. Olof Palme. Neither of these was announced as we were not making any major presentations or playing a major role.

In recent times we have attended political conferences and meetings organised by political parties in Sweden, Norway, West Germany, the United Kingdom, Canada, the USA and Venezuela, among many others, but did not release these for the reasons already stated. However, we will issue releases in the future about our presence at all International

meetings, no matter how minor, to avoid misunderstandings and misinterpretations. In retrospect, not to have been doing so was an error.

Contrary to a recent query from your newspaper, I wish to place on record that Mr. Manley and Mr. Dudley Thompson flew to Guyana from Montego Bay on a BWIA plane, for the funeral of President Forbes Burnham, and not in Fidel Castro's official plane or with President Castro.

It is interesting that both Dr. Neville Gaimore and Miss Princess Lawes have visited Cuba in recent times — yet there have been no public announcements by the gov-

ernment or the Jamaica Labour Party about these visits.

The propaganda about the PNP's infection with a communist virus is a tired cliché.

Twenty three years repeating the same non-Communist line, and we still have to hear the same propaganda trivia from persons who ought to know better and grow up.

I am, etc.,

PAUL ROBERTSON

General Secretary

89 Old Hope Road,

Kingston 6.

March 25, 1986.

/9317

CSO: 3298/434



NICARAGUA

COSTA RICA TERMED 'MODERN COLONY' OF U.S.

PA082248 Managua EL NUEVO DIARIO in Spanish 6 May 86 pp 1, 8

[Excerpts] The United States, with its imperialist strategy and its role as a world policeman, is no longer satisfied with "defending its national security" in the neighboring countries, but has not extended this idea around the world.

The United States is particularly interested in militarizing countries that, according to the United States, "have their security threatened." Following this plan, Costa Rica has now surprised us as a "modern colony" of the United States.

The first contingent of Green Berets arrived in Costa Rica in 1985 to train the National Guard. At the same time, war materiel, antitank weapons, and aircraft began to arrive in the country.

To guarantee the building of the Costa Rican military infrastructure that, according to the plan, was necessary to--in Washington's own words--"change the military balance in southern Nicaragua in our favor," a stronger supervisor was needed.

On Monday, 24 February 1986, when the group of military engineers arrived in the country to build "the bridges for peace," the Costa Rican Legislative Assembly approved the arrival of the "USS Iowa" and a frigate, "John Hull" [name as published].

All this work done by the U.S. Army is very costly and it is strictly for military reasons.

During the day they carry out social works in "the low income communities," and by night they travel in speed boats and helicopters, which take off from those ships, to the island of Chiriqui, located in the strategic Gulf of Amoy, and to the San Fernando.

San Fernando residents have reported that for the past several years they have been seeing U.S. troops transporting loads of materiel for the military infrastructure.

On the San Fernando island, several spots have been marked as strategic sites for the foreign/military project, which consists of modernizing and expanding military equipment in order to carry out the plan. As per objectives, since this plan corresponds with the U.S. military, the construction of airplanes and other facilities within the military structure, American military forces are present.

(U/31)

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NICARAGUA

BRIEFS

NEW MISKITO LABOR UNION--The Miskito Workers Labor Union [Sindicato de Trabajadores Miskitos--SITRAMISK] is a new Nicaraguan labor union whose headquarters in Managua will be inaugurated on 1 May. The new labor group also encompasses other labor unions whose members are not all Miskitos. The SITRAMISK secretary general is Eugenio Urbina Coban. The creation of SITRAMISK was supported by the Confederation for Unity of Trade Unions, CUS. [Summary] [Managua LA PRENSA in Spanish 30 Apr 86 pp 1, 16 PA] /12913

HUNGARIAN DONATION--As part of the "Nicaragua Must Survive" campaign, the Hungarian Solidarity Committee has donated a large quantity of medicine, clothes, canned food, and tents to Nicaragua. The Hungarian embassy second secretary delivered the donation to a member of the Nicaraguan Committee of Solidarity With the Peoples. [Summary] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 9 May 86 PA] /12913

LA PRENSA DELIVERY DELAYED--We are forced to inform you that beginning with our Monday, 12 May edition, LA PRENSA will reach our subscribers early on the following day due to reasons not under our control. We will begin our delivery service at 0500. We ask our subscribers to be understanding regarding this delayed service. Any complaint or information in this regard, call telephone number 41051. [Text] [Managua LA PRENSA in Spanish 10 May 86 p 8 PA] /12913

INFANT MORTALITY RATE--Dr Jorge Orochena, director of the Berta Calderon Hospital, stated that 18 percent of the babies born in that hospital died. He blamed the poor attention provided at the hospital, as well as the lack of medical personnel, medicines, and hospital beds. The hospital handles 49 births every day. [Summary] [Managua LA PRENSA in Spanish 23 Apr 86 pp 1, 2 PA] /9274

CSO: 5400/2039

PARAGUAY

DOMINGO LAINO ON TRANSITION TO PLURALIST DEMOCRACY

PY301855 Buenos Aires Domestic Service in Spanish 0200 GMT 30 Apr 86

[Text] In view of the situation prevailing in Paraguay, our colleague Norberto (Signoli) has spoken with exiled PLRA (Authentic Radical Liberal Party) leader Domingo Laino.

[Signoli] We have on the phone Dr Domingo Laino, better known in Argentina as the opposition man, the number one man of dissent. Isn't that so, Laino, how are you?

[Laino] Very well. Thank you very much for this noble (gesture) by Radio Nacional.

[Signoli] Isn't it true that you are the opposition man, the man...

[Laino] Well, I know that I am a man of the opposition, but above all a pro-democracy man, (struggling for) the liberation of the Paraguayan people. In fact, I stand for what is positive....

[Signoli] Well, Laino, how are you facing up to the question of your fatherland's liberation? I mean liberation as an ideological fact.

[Laino] Well, I believe that in Paraguay the people are now fully aware, not only of the situation in their country, but of that of the entire continent. This is especially true of the southern cone where the winds of liberation, renovation, and democracy are blowing strongly. It is in such an atmosphere that we live in this hospitable republic of San Martin, the Argentine Republic, where Paraguayan exiles feel so much at home. The winds of democracy have swept through Uruguay, Brazil, Bolivia, Peru, as they have in Haiti with the downfall of Duvalier, and in the Philippines with the ousting of Ferdinand Marcos. This prevailing situation inevitably has great psychological and ideological effects on us as a democratic effect. There is a demoralization effect is noticed, too. This means that the Paraguayan people are becoming aware of their situation here, marginalized, are material victims, getting more and more of themselves. Every day, we realize the need for a popular education that is not... as the 12-year history of oppression.

[Signoli] Mr. Laino, you cannot defend your... (If Laino?)  
KOPPEL: In essence the same thing, what would happen if...?

[Laino] This is a very intelligent question. I say that it is intelligent because people are generally asking this: What will happen if Stroessner leaves after 32 years of governing the land of the Guarani as a fiefdom, a land so rich in history and human potential. And I say: What happened in Spain after General Franco departed? What happened in Venezuela when that other dictator Perez Jimenez, who had been trampling and repressing the Venezuelan people, left? Democracy returned, liberation returned, freedom arrived. The institutions and the state of law were restored. This is why I do not believe that anything out of this world will happen in Paraguay, given similar circumstances. Paraguay will simply experience a peaceful transition to a pluralist democracy. The problem is now that violence and terrorism in Paraguay come from the state, not from the people. You saw that last Sunday when PLRA members met, or when medical students and doctors, who demanded better salaries, took to the streets, that the violence situation was not created by them. It was created by the repressive apparatus, the agents of security services, either in uniform or in mufti, wielding clubs, electric-prods, chains and tear gas bombs--all the paraphernalia of violence. This means that the state of terror, which Stroessner inaugurated 32 years ago is still alive, very alive. The problem is not created by the people who only peacefully ask for freedom and democracy. The state of terror is maintained by the government alone. Once this government leaves, I believe the violence will be gone and the country will be in peace.

[Signoli] You have just spoken of a pluralist democracy. Does this include the Colorado Party?

[Laino] Obviously. We cannot banish any party. I believe that when we speak of the pluralist democracy, we are speaking of each and every political party, of all the ideologies that democratically compete, through their programs, as it is happening here in Argentina among Peronists, radicals, intransigents, and others. I believe that this is the state of law we want to have in Paraguay.

[Signoli] Dr Laino, the news service of Radio Nacional thanks you for having talked with us tonight. I expect that in the future we will again discuss possible solutions to your country's problems. Thank you very much.

[Laino] Thank you Radio Nacional. Before hanging up, I would like to say that we will hold the second congress of Paraguayan artists on 2-3 May in Asuncion. Indeed, ideally, we are inviting all Paraguayans to participate in our congress. Thank you very much.

FIN

END TRANSMISSION

30 May 1986

## PARAGUAY

## MILITARY ATTACHE DENIES REPORT ON SALVADORAN REFUGEES

PY291310 Asuncion EL DIARIO in Spanish 27 Apr 86 p 10

[Text] Lieutenant Colonel Jose Ricardo Pozos, the military attache of the Salvadoran Embassy in Paraguay, yesterday termed "completely untrue" a report that some Salvadoran civilians and military men involved in kidnappings in that Central American nation had come to Paraguay.

A report from the German news agency DPA datelined El Salvador stated that "the Salvadoran authorities believe that some military men and civilians involved in kidnappings in El Salvador are in Paraguay in view of the fact that Paraguay does not have an extradition agreement with El Salvador.

"Colonel Joaquin Zacapa, a son of former Defense Minister Marco Aurelio Zacapa, who served military regimes some 18 years ago, is among the people involved," the report added.

"Also involved are Major Jose Alfredo Masera and officer Carlos Zamora, one of Joaquin Zacapa's cousins."

"Joaquin Zacapa left the country while on a leave from El Salvador just 1 day after the government captured Orlando Jose Saldaña, an individual not involved with an alleged gang of kidnapers."

"According to official reports, Zacapa should have returned today to the country to turn himself in because he was the target of the investigation, he sought refuge abroad."

The report adds that "The Government of El Salvador has denied the Salvadoran allegations that some of the military men involved in kidnappings in El Salvador are in Paraguay. The government has also denied the allegations that some of the military men involved in kidnappings in El Salvador are in Paraguay. The government has also denied the allegations that some of the military men involved in kidnappings in El Salvador are in Paraguay."

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The military attache added that "it is true that there are a number of people involved with a gang of kidnappers but no one has come to Paraguay because the Salvadoran authorities have captured most of the military men and civilians involved, in El Salvador."

/12232

CSO: 3348/566



PARAGUAY

CBS CORRESPONDENTS LEAVE ASUNCION 'DISGUSTED'

PY081711 Paris AFP in Spanish 1418 GMT 8 May 86

[Text] Asuncion, 8 May (AFP)--A cameraman and a reporter from the U.S. television network CBS told Radio Nanduti today, before leaving the country, that they were leaving Asuncion disgusted because they could not be accredited to conduct their work.

Reporters Alvaro Perez and Luis Ferreira Braga, both Uruguayans, have asked to be accredited before the Presidency of the Republic, but they reported that their request was not conveyed to the Presidency.

Sources from the Presidential Secretariat, however, have expressed surprise over these remarks. They explained that the CBS news correspondents met last Monday, 5 May, with Presidential Press Secretary Anibal Fernandez and asked him for a meeting with the president of the republic either Tuesday or Wednesday. It is impossible to obtain a meeting so fast, knowing that the president's schedule is established much in advance, the sources told AFP. The sources added that the reporters returned the following day with a note from the U.S. Embassy asking that they be accredited. They said that they had no return to Montevideo and they wanted to be accredited in their country. For this reason their requests have remained without accomplishment, the source reported.

11/10/86

(20) 1000/1000

PARAGUAY

UNIVERSITY STUDENT WOUNDED DURING POLICE ACTION

PY251710 Asuncion EL DIARIO in Spanish 25 Apr 86 p 8

[Excerpts] Sophomore student Irene Roman was wounded last night when the police teargassed and dispersed a student meeting at the Asuncion National University Law School. Most students were attending their regular lectures, while others were getting ready to attend a lecture by Dr Horacio Galeano Perrone when the incident took place.

According to Marcelo Durate, in his 5th year at the law school, at approximately 1900 the students learned that policemen were near the school. Duarte and a member of the Student Center approached the officer commanding the policemen to find out why they were there. First they were told that they could attend the lectures, but that they should return to the building. Later they were told that they had "5 minutes to leave the school building and those who choose to stay should accept the consequences."

The presence of policemen caused the crowd of students and curious people to grow. In view of this situation, two or three students climbed onto the roof of a "beetle" car and addressed the crowd. At this point the policemen started to hurl tear gas bombs, creating panic among those who were trying to leave the school and who were choking with gas, and those who tried to seek refuge inside the school building. This is when Irene Roman was hit on the head by a tear-gas canister that knocked her to the ground. She was assisted by fellow students and taken to a health center.

Students Enrique Cabas and Benjamin Lopez stated: "Nothing had been planned, there was just a lecture that had been scheduled weeks ago, of regular class. There was never any intention of staging a demonstration. However, it is true that the youth reacted because of the tense atmosphere that prevailed."

END

0000 0000/0000

PARAGUAY

COLORADO MEMBERS SEEK HARMONY FOR CENTENNIAL

PY020356 Asuncion LA TARDE in Spanish 30 Apr 86 p 10

[Quotation marks as published]

[Text] Fifty-two members of the Colorado Party recently submitted a note to Juan R. Chaves, president of the Executive Board of the Colorado Party, in which they request the reconciliation of the republican family in view of the upcoming 100th anniversary of the party.

For the past 25 years most of these members have been grouped in the faction known as the National Republican Association in Exile and Resistance [Asociacion Nacional Republicana del Exilio y la Resistencia] (ANRER), formerly headed by the late Epifanio Mendez Fleitas and now led by Osvaldo Chavas. Martin Valente Gomez and Dr Pedro A. Caballero, who have been living in the country for some time now, are also cited. We fully transcribe the document, which was submitted on 17 April 1986.

"With immense republican fervor and with our political conviction rooted in the philosophy and doctrine of our eternal Colorado Party and in keeping with the legitimate desires of the historic background of our glorious group of free men--the National Republican Association (Colorado Party)--we address you as president to express the following:

"It is the profound and irrevocable desire of all the Colorados of the republic to worthily commemorate the anniversary of our party as a meritorious tribute to the spirit of the founders and great leaders of the Colorado Party who, in this century, have given prestige and glory to the Fatherland, and as a meritorious homage to the generous blood of our heroes and to the ideal suffered in so many Colorado homes in the struggle for the republic since the past century.

This will be the proper occasion for our party to reaffirm its unity and strength and to group its men around the great ideal of the republic. Moreover, it will be a worthy gesture of respect and homage to the founders of the Colorado Party, to the great leaders of the party, and to the ideal suffered in so many Colorado homes in the struggle for the republic since the past century.



PARAGUAY

BRIEFS

POLICE RELEASE JOURNALIST--We have a report by Atilio Viera from one of our mobile units near the Coca Cola factor. [Begin relay] Enrique Simons, the father of journalist Jose Luis Simon who was being held at police headquarters, is here with me. He was told that Radio Nanduti had announced the release of his son and he wants to know if this is true. [end relay] Yes, Jose Luis Simon has been released. [Excerpts] [Asuncion Radio Nanduti in Spanish 1420 GMT 30 Apr 86 PY] /12232

JUDGE ORDERS DOCTORS RELEASED--Judge Pedro Mendez Martinez has just ordered the release of the four physicians: Juan Masi Guggiari, Ursino Alcides Barrios Doria, Anibal Enrique Carrillo Iramain, and Jose Gaspar Bellasai Zayas. We reported yesterday that the release of the four doctors was imminent, and in his ruling, the judge says that there is no prima facie evidence to uphold the charges brought against the four defendants just because the conditions required under Article 337 of the Penal Procedural Code have not been met and, therefore, the court has ordered their release. A defense attorney has already taken the court order to the Tacumbu Jail to allow the four defendants to leave the jail this morning. [Relay from the Justice Palace by Atilio Viera] [Text] [Asuncion Radio Nanduti in Spanish 1239 GMT 30 Apr 86 PY] /12242

JOURNALISTS BEATEN BY POLICE--Two Radio Nanduti reporters were beaten last night during the police repression against the demonstration that was held in front of the law school building. Journalists Miguel Angel Arguelli and Nicolas Arguelli were injured when they were clubbed by several of the policemen who were stationed at the corner of Nacional, Batallas and Tacuba Streets. Nicolas Arguelli was treated at the Hospital de Clinicas and then sent home. Radio Nanduti Director Humberto Padua said that two of his reporters "were seriously beaten, and even Miguel Angel Arguelli's wife was beaten." [Text] [Asuncion Radio Nanduti in Spanish 1239 GMT 30 Apr 86 PY] /12242

REPRESSORS WERE BEATEN BY DEMONSTRATORS--Several demonstrators, including a woman and member of the youth branch of the Paraguayan Revolutionary Front (FRP), were beaten by police during the demonstration. One was seriously injured and taken to the Hospital de Clinicas. Another was taken to the Hospital de Clinicas and then sent home. [Text] [Asuncion Radio Nanduti in Spanish 1239 GMT 30 Apr 86 PY] /12242

30 May 1986

UNION MEETINGS PREVENTION--Last night the police again tried to prevent a seminar sponsored by the SPP [Paraguayan Journalist Union]. About 40 persons, however, went to another place where the seminar was held. The entire SPP program will be held again tonight at 1930. It will include a lecture by Alfredo Caraso, secretary general of the Argentine Journalists Union. Those interested in attending the lecture are again invited to go to SPP headquarters. The organizer of the event have said that if the police again try to prevent it, ways will be sought to hold it anyway. SPP Secretary General Jose Gaspar Meaurio, who has been summoned by the police, will present himself to the local authorities this morning. Moreover, the Thrid Police Precinct last night prohibited the holding of a cultural event at the Paraguayan Bank Workers Federation. The event was organized by the Inter-Union Workers Movement (MIT) to plan for the 1 May ceremonies. [Text] [Asuncion EL DIARIO in Spanish 25 Apr 86 p 9 PY] /12232

CSO: 3348/568



ST VINCENT AND THE GRENADINES

BRIEFS

1985 BANANA PRODUCTION--Kingstown, 25 Apr (CANA)--Production of bananas, St Vincent and the Grenadines' number one cash crop, increased by 24 percent last year to reach 41,178 tons, according to the Banana Growers Association. Figures released by the organisation also showed an increase in sales, which jumped to EC 43 million dollars (one EC dollar; 37 cents U.S.) from 30 million in 1984. Production in 1984 amounted to 32,010 tons. [Text] [Bridgetown CANA in English 1643 GMT 25 Apr 86 FL] /9274

CSO: 3298/424

TRINIDAD AND TOBAGO

ROBINSON REMARKS SPEARHEAD NAR POLITICAL CAMPAIGN

Possibility of Trinidad Run

Port-of-Spain SUNDAY GUARDIAN in English 20 Apr 86 p 1

[Article by Norris Solomon]

[Text]

**THE National Alliance for Reconstruction (NAR) wants its political leader, A.N.R. Robinson, to contest a seat in the forthcoming general elections in Trinidad, not in Tobago.**

The SUNDAY GUARDIAN was told yesterday by NAR sources that the party is satisfied the two Tobago seats are safe and they want Mr. Robinson to contest in Trinidad, bringing the fight straight into PNM (People's National Movement) territory.

Contacted at his Port-of Spain home yesterday, Mr. Robinson confirmed he had been approached by some constituency groups and members in Trinidad to contest the election as their respective candidate.

He also has been approached by the Tobago constituencies, but he said no decision has been taken since constituencies are still making nominations.

He expects that by mid May everything will be in place.

The NAR sources said there was no doubt Mr. Robinson would win a seat in Trinidad as his popularity on the national front was increasing.

In addition to taking the fight into PNM territory, his contesting in Trinidad would serve to tighten the bonds between Trinidad and Tobago, and send a message to the country that the NAR was a national party.

**Final Decision**

Mr. Robinson said yesterday he was not in a position to say what the final decision would be and where he would contest.

He explained, however, that by the end of the month the nomination process will be completed and screening of nominees will begin with a view to selecting candidates. The screening should be completed by the middle of May, he said.

Mr. Robinson insisted, however, that where he personally contested the election was not an issue and was not likely to be an issue.

"The important thing is to have a team of candidates that presents to the population the capacity to govern in the interest of the nation," he said.

Another NAR member in demand by constituencies is Senator Lincoln Myers, the chairman of the Public Accounts (Enterprises) Committee.

The membership has reportedly been calling for him in light of the large following he has gained as a result of his 40 day fast on the steps of the Hall of Justice highlighting the need for public accountability.

Party sources also point out that deputy political leader Karl Hudson Phillips has been asked to contest either the Diego Martin Central seat, where he fought in the last election, or the Diego Martin East seat, the constituency in which he lives. It is understood too that some other areas are asking for him. The other deputy political leader, Basdeo Panday, who is also the Opposition Leader in Parliament, is expected to contest in his constituency, Carriacou and La Trinité, in Trinidad. He is the parliamentary representative for Carriacou.

## Query of Government Finances

Port-of-Spain TRINIDAD GUARDIAN in English 29 Apr 86 p 14

[Text]

POLITICAL Leader of the National Alliance for Reconstruction, ANR Robinson, has said that the funding problems which the local county councils are now suffering raises questions about Government's financial situation.

Mr. Robinson made the statement on Sunday morning as he addressed a special meeting of NAR municipal and county council representatives.

The meeting was held at the party's San Fernando headquarters at Barron Building, Cipero Street, to discuss the non-release of funds by Central Government.

It was attended by representatives of eight of the eleven municipal and county councils, all of whom reported serious disruption of operations because of the Ministry of Local Government's failure to release funds.

Regarding the problem, Mr. Robinson said:

### Plan Of Action

"We must wonder whether the present crisis affecting the release of money to the local government bodies is not an indication that the Government really has no money."

Statements made by the various county councilmen and general committee chairmen who attended the meeting indicated that there were shortfalls in fund releases varying from \$2.5 to \$3.5 million.

Chairman of the Association of County Councils, Lennox Sankersingh, told the gathering that when the councils do not get funds from Central Government on time there is a serious deterioration in living standards. He added that the quality of life is affected.

Mr. Robinson said that the population of the country must decide "whether the coffers were empty" and, if not so, then the country could only conclude that the withholding of funds to various bodies is a deliberately contrived situation.

The three-hour meeting ended with a discussion regarding a plan on how to tackle the crisis.

Also at Sunday's meeting, NAR Councillor Jensen Fox handed in a report concerning the walkout of the NAR team from last Thursday's sitting of the Port-of-Spain City Council.

Following the meeting, Mr. Robinson and other executives of the party fulfilled a round of other engagements in San Fernando including assisting the NAR's fund-raising fiesta which was held in San Fernando.

Mr. Robinson also visited the Presentation College Fair to which he had been invited by staff and students of the school, and attended the 10th anniversary celebrations of the Skiffle Bunch steelband where the political leader of the party addressed the gathering.

Among those accompanying Mr. Robinson were Councillor Marlene Ambroso, Shah Shair Ali and Ken Ablack, the NAR's public relations officer.

## Critique of Political System

Port-of-Spain TRINIDAD GUARDIAN in English 1 May 86 p 3

[Article by Gail Alexander]

[Text]

FOCUSING on recent topical events, the leader of the National Alliance for Reconstruction, A.N.R. Robinson, has emphasised the need for a comprehensive review of the political system to entrench the principles of responsibility and accountability.

Mr. Robinson made the point yesterday when he addressed members of the Trinidad and Tobago Chamber of Industry and Commerce at a Hilton Ballroom luncheon.

Speaking about a democratic system of government, Mr. Robinson said that if this is to function meaningfully — or with any degree of integrity or efficiency — the national community must demand that those who violate their oath of office and disrespect the Constitution be made to peacefully vacate their offices.

Pointing out one example, the topical Drug Report, he said:

### Right To Know

"We cannot yet obtain a straightforward factual account even on the journey of that report into the hands of Mr. Allum. When did the Prime Minister receive it? Did he read it? We have been told by the newspapers that government ministers have been fingered in the Report. This allegation has not been denied by any members of the Government."

"If Mr. Allum finds that such ministers or other persons in public life are implicated in a serious manner but there is insufficient evidence to convict them of crime in court, what is he to do?"

Mr. Robinson said it is expected that the population's right to know the answers to such and other ques-

tions on the matter would be scrupulously respected.

He questioned whether persons could instigate scandalous allegations against the character of others while the true contents of the Drug Report are concealed until after general elections.

Mr. Robinson also questioned the Attorney General's defence of the referral of the Report to private counsel and expenditure of public funds for this purpose when he said, "the Attorney General does not know what the Report contains."

Pointing to other recent events, the leader of the NAR asked:

"What are the results of the Prime Minister's investigations into the Town Hall affairs? How can a government minister be wounded in a shooting incident and not a word said while he continues in office as though nothing has ever happened?"

### Drastic Reform

The occurrence of such incidents, Mr. Robinson said, necessitated changes in Cabinet where an Integrity Commission and Code of Conduct for government ministers must be established, and the Public Service from which the "hand of party politics must be removed."

Other changes must come in Parliament where appointed committees must have the necessary authority and powers according to their designation. Mr. Robinson also advocated strengthening of the Ombudsman's office and establishment of a special tribunal to deal with bureaucratic abuses.

Drastic reform must also come in local government and in the area of national awards, Mr. Robinson said.

"He added: "The proposals I have outlined must be implemented by training, re-training and re-deployment of personnel as well as departmental re-organisation. For this purpose steps will need to be taken to facilitate the retirement of those who cannot adjust to the new dynamism required in the public service."

## NAR Program

Port-of-Spain DAILY EXPRESS in English 1 May 86 p 2

[Text]

POLITICAL leader of the National Alliance for Reconstruction (NAR), ANR Robinson, said yesterday the personal income tax allowance must be substantially increased to about \$12,000 and the number of tax bands reduced.

This was one of the features of a NAR programme as outlined by Robinson to a general luncheon meeting of the Trinidad and Tobago Chamber of Industry and Commerce at the Trinidad Hilton.

Robinson spoke on the topic "Towards recovery and reconstruction" at the luncheon which attracted a wide cross section of the business community and members of the diplomatic corps. Patricia Robinson, wife of the NAR's political leader, was also present.

According to the NAR leader, the tax structure would be oriented away from more revenue-raising to give strong support to the development thrust. The tax structure must be

geared to the need to generate domestic savings and private investment on a far larger and broader base than ever envisaged.

Other features of the NAR's programme include the entrenchment of the citizen's democratic right to know in an Information Act; reorganisation, re-training and re-orientation of the Public Service towards efficiency and productivity, and removal of the hand of party politics from this area of national life.

The NAR also proposes to decentralise the system of government allowing people in their local communities to be more identified with the solution of their local problems and the supply of their local needs.

A rapid scaling down of the government's interventionist role in the economy including divestment of some of the state enterprises is also proposed by the NAR, Robinson said.

Other features of the NAR programme includes:

- A clear and unequivocal policy of promo-

tion of private initiative, self-reliance, self-help and creativity in all sections of the community;

- A rapid dismantling of the crippling restrictions caused by inefficient and antiquated regulations;

- A dramatic increase in speed in the decision making process;

- Revamping of the education system to meet the needs of a technologically oriented society and;

- Promotion of national unity through close collaboration with all sections of the society in the formulation of national and regional programmes and providing a climate of security for all the various ethnic strains in society.

State enterprises that are retained, Robinson said, would be required to make their way in the commercial world.

"Efficient enterprises will be encouraged to expand. It must be appreciated that job security can only be assured by expansion in the productive sector and particularly in that part of the sector that earns foreign exchange," he said.

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CSO: 3298/435

TRINIDAD AND TOBAGO

FOREIGN MINISTER DISCUSSES UN STAND, FOLLOWING CRITICISM

Port-of-Spain TRINIDAD GUARDIAN in English 25 Apr 86 p 18

[Text]

**MR. ERROL MAHABIR**, Minister of External Affairs, told the Guardian yesterday that Trinidad and Tobago had played a strong and determined role within the Non-Aligned group of nations in the UN Security Council with regard to the condemnation of acts of terrorism.

The Minister explained that it was Trinidad and Tobago who was responsible for very substantial revisions to the draft resolution prepared by Non-Aligned states condemning the United States for air-strikes against Libyan cities.

"We refused to accept that resolution because it was unbalanced and did not take all the facts into account," Mr. Mahabir said. "Among the amendments we proposed was the inclusion of a preambular paragraph recalling General Assembly resolution 4061 of December 9, 1985, by which the Assembly unequivocally condemned as criminal all acts, methods and practices of terrorism whenever and by whomsoever committed, including those which jeopardize friendly relations among States and their security."

The resolution was defeated when negative voters were cast by three of the Council's permanent members — United Kingdom, France and the United States. Also voting against the resolution were Denmark and Australia.

Nine members of the Council voted in favour of the resolution — its five sponsors, Congo, Ghana, Madagascar, Trinidad and Tobago and the United Arab Republic, who are members of the Non-Aligned group in the Council — together with the Soviet Union, China, Bulgaria and Thailand. Venezuela abstained.

Mr. Mahabir said the draft resolution had sought to provide the Security Council with an effective response to the situation in the light of its responsibility under the United Nations Charter for the maintenance of international peace and security and to recognize the danger to international peace and security posed by terrorism, whether by individuals, groups or states.

### Non-Aligned Group

The Minister explained that Trinidad and Tobago was alone among the Non-Aligned group in insisting that terrorism be condemned in these deliberations.

In fact, he recalled that after the first clashes between the US and Libya in the Gulf of Sirte at the end of March 1986, Trinidad and Tobago virtually torpedoed a Non-Aligned resolution seeking to condemn the United States.

"We did not consider the draft balanced and was thus unable to join in co-sponsoring that resolution. As a result of the lack of unanimity in the caucus, the draft was not tabled in the Security Council."

The Minister admitted that TT was having problems with its membership of the Non-Aligned group.

Mr. Mahabir said the position taken by Trinidad and Tobago in the Security Council was commended by the United States. He said he had been in constant contact with the US Ambassador over this issue and he was sure that nothing had been done to damage relations between TT and the US.



The Minister also emphasized that Trinidad and Tobago had been insistent in its condemnation of acts of terrorism, although it was difficult to identify Libya since that country continued to deny any involvement and no proof had been provided by the US to the Security Council to implicate Libya.

### **Draft Resolution**

"It should also be recalled that in December 1985, Trinidad and Tobago joined with Australia, Denmark, Egypt, France, Peru, the United Kingdom and the United States in co-sponsoring a draft resolution condemning all acts of hostage taking," Mr. Mahabir said.

He recalled that in November 1985 at the 14th Assembly of the International Maritime Organization, Trinidad and Tobago supported a US initiative which led to the adoption of a resolution on measures to prevent unlawful acts which threaten the safety of ships and the security of their passengers and crews.

"As a small state," Mr. Mahabir added, "Trinidad and Tobago has always had a particular concern for the maintenance of international peace and security and interest in the well-being, security and independence of small states.

"As a member of the Security Council, we seek to play a constructive and moderating role and are at all times sensible of the way in which major power rivalries impinge on the international situation and the way in which events are interpreted."

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CSO: 3298/435

TRINIDAD AND TOBAGO

POLITICAL FIGURES COMMENT ON TERRORISM, COUNTERMEASURES

Port-of-Spain TRINIDAD GUARDIAN in English 26 Apr 86 p 9

[Norris Solomon column "Saturday Forum"]

[Text]

**WHAT** would we do about terrorism?

Reports of terrorism throughout the world continue to make the news pages daily. With terrorism there is loss of innocent life and fear.

Activities in the Middle East particularly over the last few weeks have caused widespread concern and comment.

Trinidad and Tobago cannot be considered immune to terrorist activities. In the

past, this country was indirectly involved when a hijacked plane landed at Piarco.

Some years ago a Cubana Airlines plane which had passed through Piarco was blown up in mid air.

Communications have made the world smaller, and terrorism could take place anywhere.

What should we do about terrorism? Here are some views about the subject.

Offenders Must Be Brought to Justice

**A.N.R. ROBINSON**, Political Leader of the National Alliance for Reconstruction and Barrister at Law, says:

TERRORISM has come to be regarded as the indiscriminate killing of people for political ends.

Such activities may be engaged in by individuals, groups and even Governments. No one in his right mind can regard such acts as justified.

They usually signify the rejection of law and order and recourse to methods by which innocent people may be the victims.

Within recent times an increasing number of groups have been resorting to these methods, sometimes for no specific purpose, but as mere acts of revenge.

Terrorism has thus become one of the maladies of the modern world.

There is no single remedy for this grave sickness in human society which may stem from a variety of causes.

**Counter Terror**

The most persistent forms of terrorism arise from groups that have a deep sense of oppression and injustice, whether justified or not, and, until the causes of these conditions are removed, these groups are likely to continue in such acts.

Some acts of terrorism may be engaged in by oppressive governments against their own populations. In their desire to suppress

terrorism, other governments may engage in acts of counter terror.

The proper approach to matters of this kind is through a framework of collective order and security. There can then be joint or co-operative action by a number of states directed at (a) removing the causes of terrorism and (b) bringing to justice those who engage in such acts.

Trinidad and Tobago should seek to use whatever influence it can in the direction of promoting inter-

national order and building international institutions to promote justice, order and collective security, while ensuring, through cooperative action, that steps are taken to track down offenders and bring them to justice.

I have myself in my private capacity been engaged for the last ten years in activity on this problem.

Every effort should now be made to achieve concrete results as much of the necessary groundwork has already been laid.

## **Our Laws Are Being Strengthened**

**SENATOR Russell  
Martineau, Attorney General  
and Minister of Legal Affairs  
says:**

**SPEAKING** for myself as Attorney General and Minister of Legal Affairs, we continue to strengthen our legislation in this area.

There is now before the House of Representatives a Bill entitled the Taking of Hostages Act which will give the State greater power in dealing with terrorists who, for example, detain persons as hostages.

The Bill seeks to give effect to the International Convention against taking of hostages and, quite naturally, provides for the extradition of persons found guilty of so doing.

It is clear that terrorism is a phenomenon that requires international cooperation, and that it must be stamped out at all costs.

If we do not do that then we run the risk of none of us being able to travel without fear or to go anywhere without fear, and a lot of innocent people can lose their lives.

## **Educate the Citizen**

We need international cooperation, because very often terrorists commit their acts of terrorism in State "A" and then move on to State "B" where they may be protected from prosecution.

As a sovereign country, we in Trinidad and Tobago must continue to participate in all the international fora which seek ways and means of stamping out terrorism.

We must also educate our citizens so that they can appreciate the danger of terrorism, whether it is on an international scale or indeed at national level.

Some of our other legislation dealing with terrorism include the Hijacking Act, and the Civil Aviation (Tokyo Convention) Act.

**MINISTER of National Security Overand Padmore says:**

TERRORISM is a cancer that must be dealt with. The principal objection to it is that it seeks to make innocent and perfectly harmless persons parties to issues they know nothing about, and are unable to influence if even they knew something about it.

There is a certain mindlessness about modern-day acts of terrorism.... wanton destruction of civilian aircraft in flight, holding of women and children hostage in certain situations.

There are no rules or conventions governing the activities of terrorists.

In other words it is a completely lawless activity, and will undermine the structure of societies if it is not addressed with despatch and determination.

If one tries to understand the causes which seem to motivate terrorists, they appear to relate to implacable differences between states as in the Middle East, or equally implacable differences on an ideological level within states as was the case with extremist

factions in Europe.

Groups committed to single-issue causes brook no compromises to solutions which they offer, notwithstanding the fact that there often is no majority for them within the society in question.

Of necessity societies will have to take a number of preventive measures to deal with it.

**Good Judgment**

We see these in the stringent security measures in operation at ports of entry in most countries.

We see it in crack anti-terrorist groups that many governments are training to deal with the situation in the event that it arises within their borders.

And one further has to rely on the good sense and good judgment of the people in any functioning democracy to isolate these uncompromising ideologies and allow them to be dealt with within the framework of the rule of law.

What a society must not do is to compromise its legal constitutional principles in dealing with these threats because we all know that, in the final analysis, democratic societies must be concerned with means and ends.

/9317

CSO: 3298/435

TRINIDAD AND TOBAGO

FISHERMEN COMPLAIN OF 'PIRACY'; PANDAY URGES PATROLS

Situation Off Cedros

Port-of-Spain TRINIDAD GUARDIAN in English 29 Apr 86 p 6

[Text] CEDROS — FISHERMEN from the south west peninsula operating in the Gulf of Paria are satisfied that there is some sort of piracy taking place in the waters between Trinidad and Venezuela.

They have come to that conclusion following the loss of three fishing boats, seven outboard engines and three nets valued more than \$120,000 from Cedros over the weekend.

Harold Boodoo and his brother Bobby lost their boats and five engines on Friday night. Harold's boat was found late Saturday evening drifting in the rich shrimping grounds in Venezuela's territorial waters without its two engines.

A third boat and two engines owned by Percy Augustus was stolen from Granville at about the same time.

On Sunday morning Patrick Ramjohn lost two engines and one net. Everald Findley and Claudette Asung lost a net each, all at Cedros.

Cedros police including Sergeant Eugene Bascombe and Constable Thomas St. Ange, visited the Cedros shore and are continuing investigations.

One policeman said that the fact that one of the stolen boats was found in Venezuelan waters led him to believe that there was a Venezuelan connection.

Boat owners are worried over the situation.

Panday Reaction

Port-of-Spain TRINIDAD GUARDIAN in English 29 Apr 86 p 6

[Text]

OPPOSITION Leader Basdeo Panday has decided to raise again matters pertaining to the Coast Guard and Police Marine Branch.

He said he was doing so because of the spate of stealing of boats, engines and fishing equipment from fishermen operating in the Cedros area.

Mr. Panday wants the Minister of National Security to state how many patrol boats the Coast Guard and Police Marine Branch have, how many are functional and how many are non-functional.

## **No Patrol Boat**

Mr. Panday said that from information made available to him, there were 13 patrol boats but only three were in working condition.

"Government says it is concerned with the drugs menace hitting the country and the plight of fishermen, but Government does not have the capacity to effectively patrol our shores," said Mr. Panday.

"Look at what is happening at Cedros. Fishermen are losing their boats, engines and equipment. What can the Police in the area do if they are not fully equipped to patrol the shores?" he asked.

A check showed that Cedros Police have no patrol boats and were finding it difficult to patrol some 27 points between Granville and Icacos.

When Minister of National Security Overand Padmore visited the Cedros Police station on April 9, he learnt that there was no patrol boat attached to the station and promised to look into the matter. Up to yesterday, the Police were still operating without such a facility.

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TRINIDAD AND TOBAGO

ILO OFFICIAL SEES LAYOFFS, CUTBACKS AS RECIPE FOR UNREST

Port-of-Spain TRINIDAD GUARDIAN in English 25 Apr 86 p 17

[Text]

EMPLOYERS are putting together a recipe for unrest, industrial action and work alienation every time they resort to retrenchment and lay-off, according to International Labour Organisation (ILO) official George de Peana.

"There is need for more dialogue and for innovations designed to spread available work among those who are employed," he told participants at Tuesday's opening of a three-day workshop on collective bargaining organised by the Management Development Centre (MDC).

Mr. de Peana, ILO's Regional Adviser on Workers' Activities, said he had observed a tendency, particular since the economic downturn, of a certain amount of haste among employers to retrench workers.

### More Effort

"In the prevailing economic circumstances employers and workers must work assiduously to remove the ideology of conflict and put more effort into utilising the machinery of collective bargaining to bring about better industrial relations, the development of better human relations, the improvement of safety and health and the working environment and higher productivity.

"In connection with the last point — productivity — I am of the view that it would be useful to both employers and workers to introduce productivity bargaining," he said.

On the issue of collective bargaining, Mr. de Peana said this was construed by many people — both employers and workers — as an exercise concerned only with wages and certain traditional conditions.

"This is a misconception that needs to be corrected," he added.

"I am firmly of the view that in Third World countries collective bargaining can no longer be limited to the traditional areas, but must be extended to include certain important national issues.

### Solutions

"For example, the parties engaged in collective bargaining must be concerned with what is the number one problem of the region — unemployment.

"In the light of the economic downturn, the machinery of collective bargaining must be used to find solutions for industrial problems and it must be used to address such matters as productivity."

He said the unemployment problem was a serious problem and trade unions should not appear to be unconcerned about it.

"On the contrary, they must demonstrate in an unambiguous manner their concern for the plight of the unemployed. In particular, they must show concern for the vast numbers of young people coming out of school each year, many of whom have no hope of finding gainful employment.

According to Mr. de Peana, serious consideration must be given to the question of workers' participation in decision making within enterprises.

He said that traditional and rigid hierarchical structures that separated management and workers and outdated forms of authoritarianism should be replaced by mutual trust and confidence.

### Education

"Collective bargaining must be extended to include the quality of working life. Trade unions, as their contribution, must approach collective bargaining cognisant of the impact of international economic factors on the national economy and must spare no effort in educating their rank and file members especially in relation to understanding the complexities of modern-day collective bargaining," he said.

"Collective bargaining appears, at first sight, to be a relatively simple concept, but the actual application of the concept is not a simple exercise," he added.

TRINIDAD AND TOBAGO

AMOCO MAKES OFFSHORE OIL FIND; SATELLITE DRILLING PLANNED

Report on Discovery

Port-of-Spain TRINIDAD GUARDIAN in English 26 Apr 86 p 1

[Article by John Babb]

[Text] AMOCO Trinidad Oil Company has discovered a new oilfield off the southeast coast of Trinidad.

According to the company's President and Chief Executive Robert Powers, "it looks real good," indicating that the find could be a big one.

On April 7 last, Amoco moved its drilling rig to 1,600 feet north-northwest of what is now known as Galeota Ridge 4, and this is where the discovery has been made.

Mr Powers said Amoco has not yet totalled the appropriate logs. But the mud-loggers and the data collected while drilling showed there were three "very interesting" shifts, he said.

The data showed oil sands at 100 feet net at a depth of 4,030 feet, and at 90 feet at depths of 2,470 feet and 1,626 feet. "So it looks real good," declared an elated Mr Powers.

"When we drilled to 4,030 feet there were the signs, and I got real excited," but he declined to tell anyone until he was sure.

The findings confirmed, he later informed Energy Minister Patrick Manning and External Affairs Minister Errol Mahabir.

By Monday, said Mr Powers, drilling would be at the total depth and log data ready.

"We will have to run casings and will not be ready for tests until the end of next week," he added.

Not until tests are done, he said, would Amoco be in a position to reveal a production flow capacity of the new oil find.

Forecast for '86

At 6.30 a.m. April 18, 1982, Amoco made its first big oil find in ten years when it struck a new field 14.5 kilometres (nine miles) off the southeast coast. The field is now known as Galeota Ridge Three, drilled at a depth of 8,005 feet.

In January this year, Amoco drilled Galeota Ridge Four and testing on that well showed that it could produce a little more than 3,000 barrels a day-- this was 3,000 feet northeast of Ridge Three, with similar productive sands at 100 feet as in Ridge Three.

During February and March, Amoco moved its rig to 10,000 feet southwest of Galeota Ridge Three, but after drilling 10,000 feet, the company ended up with a dry hole.

On April 7 it then moved its rig to the present location where the latest discovery was made.

Amoco's operating forecast for 1986 includes drilling 16 development wells and five exploratory wells. Total capital expenditure for 1986 was put at (US) \$142 million, (TT \$511.2 million).

#### Satellite Drilling Technique

Port-of-Spain SUNDAY GUARDIAN in English 27 Apr 86 p 1

[Text]

AMOCO Trinidad Oil Company will begin drilling for petroleum with the aid of a satellite linked to an advanced state-of-the-art computer system when the company spuds the first well in its newest field, the Mora, 16 kilometres (ten miles) off the East Coast next month.

This is the first time that this highly technological system for improved drilling performance will be used in an international programme, and is the first time AMOCO is using the system outside the USA. Major components in the system will be:

- An Intelsat Atlantic Satellite, which will bring the resources of the Amoco Production Research Centre in direct audio and visual contact with drilling activity in the Mora field.

- A highly technological computerised engineering simulator for drilling, believed to be the only one of its kind in the world, at the Amoco Production Research Centre, Tulsa, Oklahoma, USA. This computer facility cost Amoco some \$54 million to develop.

- A six-metre dish antenna with a sophisticated network of cameras and monitors in the Mora field. This equipment, capable of showing even a drill bit penetrating the seabed, will provide a round-the-clock two-way communication service.

When the system is installed drilling engineers on the Mora platform will consult directly with the Tulsa centre to design drilling programmes for optimum results.

Amoco's engineering simulator for drilling is part of a system called the "critical drilling facility". Other oil companies have computers which can simulate individual aspects of well operations, but Amoco's facility can simulate all aspects at once. To Amoco's knowledge, no other company has developed this full capability and this places the company at the forefront of drilling technology.

#### More Efficiency

The facility was used successfully last year in the Navarin Basin, offshore Alaska.

Robert N. Powers, President and General Manager, said that this new system will allow the company to drill more efficiently and economically and as a result will achieve more wells for "our proposed drilling expenditure in the immediate future."

Amoco has invested approximately \$1.8 million in the installation of the system. Powers continued:

"In addition our daily operating costs would be in the region of \$16,000 a day.

These are high costs but we will be drilling faster and cheaper. We estimate that we will save approximately 25 per cent of our well costs, which is significant when you consider that each well in the Mora field is estimated at \$14.4 million."

The Mora field presents an ideal opportunity for use of the critical drilling facility because of the difficult environment and the complex geology of the location. (Because of the many fractures and faults off the East Coast, many variables are encountered. The simulator can treat all of the drilling variables simultaneously. It is capable of processing store houses of data about geology, drilling characteristics, wellbores, fluid systems and drill string performance. The simulator therefore can be used for well planning, monitoring drilling programmes and post-drilling evaluation of results.)

Discussing the use of the system, Powers said:

"Our real advantage is that we can make our mistakes on the simulator and not out in the field, where it can be very expensive. The system literally brings all of the resources of the 40-acre Tulsa research centre to our rig floor in the Mora. By using any of the hundreds of variables available, different drilling results can be

simulated on a rate 30 times faster and much cheaper than actual drilling. The simulator can depict in advance problems that may otherwise be discerned only after drilling. Engineers can therefore alter variables to come up with the best and safest drilling plan."

The simulator is not intended for drilling every well. It is intended principally for critical wells which, because of various combinations of environmental concern, difficult drilling conditions, or very high cost, require unique planning and supervision.

A full briefing on the implementation of the system has been given to representatives of the Ministry of Energy and Natural Resources and other relevant government personnel.

Also involved are Textel and Edgar Borde Communications, which have been cooperating with US scientists to have the system installed.

A paper authored by K.K. Milheim of Amoco Production Company supported by visual illustrations on Amoco's critical drilling facility will be presented by Joe Johnson, also of Amoco Production, on Thursday at the Society of Petroleum Engineers conference and exposition at Gulf City, La Romain.

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TRINIDAD AND TOBAGO

BRIEFS

LOAN FOR RICE--The Caribbean Development Bank (CDB) has loaned \$7 million (US) to Trinidad and Tobago to date and has recently evaluated a project for Caroni Ltd for the production of rice. These disclosures were made yesterday by Dr Bernard Yankie, Director of the Project Department of the CDB when officials of the CDB met with local bankers at the Hilton Hotel yesterday. CDB officials also met with local manufacturers on Monday. According to Yankie, CDB had a good evaluation of the rice project. He said the CDB has to be sure that the kind of project it ventured into will succeed and benefit the country. Yankie told the bankers the CDB's minimum loan size to a country such as Trinidad and Tobago will be about \$500,000 (US). He explained this was the minimum because of the presence of aid agencies such as the Development Finance Co Ltd (DFC) and the Agricultural Development Bank (ADB). He said the CDB would not want to compete with the agencies. [Excerpt] [Port-of-Spain DAILY EXPRESS in English 30 Apr 86 p 3] /9317

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URUGUAY

SEREGNY CITES 'DANGERS' OF U.S. POLICY

PA240443 Havana International Service in Spanish 0000 GMT 24 Apr 86

[Report by Nelson Marcos in Montevideo--live or recorded]

[Text] Broad Front President General Liber Seregny has stated that the leftist coalition has adequately organized itself to really become another government option. Seregny said this following the great national meeting held by the Broad Front, where they approved a reorganization which defines the levels of leadership and operation, and ways in which decisions may be adopted whenever there is lack of consensus among the various groups comprising the Broad Front. They also appointed the national congress as the highest organization in charge of adopting resolutions, and all the groups will be represented in it.

Seregny delivered a speech at the meeting, analyzing the current Uruguayan situation. He also mentioned the international situation and referred to the dangers which arise from the policy followed by the current U.S. Government.

[Begin Seregny recording] Reagan's policy shows the U.S. imperialism's new forms and mechanisms. We have experienced this policy in our country, where the IMF governs us and demands that more than 4 percent of our gross revenues be transferred to international private banks to pay interest on the foreign debt. [End recording]

The Broad Front leader, frequently interrupted by ovations, specifically referred to the aggression on Libya, and proclaimed his coalition's solidarity with his coalition's solidarity with the Libyan people.

[Begin Seregny recording--broadcast in progress] ...an act that carries the infamous brand of danger and arrogance which endangers the world's peace.  
[End recording]

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